Full year results - 2013

Grupo Media Capital, SGPS, S.A.

tvi	• **9 years of leadership in audiences** • Most watched TV channel on prime time • Online leadership among TVI channels • TVI24 – with its best year ever
plural ENTERTAINMENT	• **Over 1.400 hours of production** • 3D animation movie "Futebolín" wins a Goya Prize
mcr RÁDIO COMERCIAL	• **Rádio Comercial leads radio audiences for the second year**
FAROL música MEDIA CAPITAL ENTERTAINMENT PRODUÇÃO E EVENTOS	• **Tony Carreira** – the artist with more music albums sold in Portugal
Media Capital	• Media Capital with a **25.4% share in pageviews**

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 Coletiva n.º 502 816 481 | Capital Social: 89.583.970,80 euros

FULL YEAR RESULTS 2013

Media Capital's consolidated net profit reached € 13.7 million, (+15% vs 2012)

- 2013 recurring EBITDA improved 2% to € 40.7 million, with a margin of 22.4%, which represents an improvement of 0.7pp vs 2012. This performance was possible due to a strict cost control as well as to a reorganization which allowed the Group to adapt its structure to the economic environment and to sector's secular changes. Media Capital is now more prepared to face the important challenges and opportunities that lie ahead.

- Media Capital estimates to have gained market share in 2013 in what advertising is concerned, with the Group's consolidated operating revenues having decreased by a meagre 1%. Notwithstanding the decrease of the advertising market as a whole, the Group benefited from the development of complementary revenues sources. Finally, it is worth highlighting the fact that the free-to-air (FTA) advertising market showed some recovery signs in the last quarter of the year, with an estimated 4% YoY growth.

- For the ninth year in a row, **TVI** lead audience figures, with an average share of 24.6% and 27.7% in all day and prime time respectively. TVI posted a 3.5pp lead over the second most watched channel in all day and 1.2pp in prime time. TVI's audience leadership also applies when considering family of channels (i.e. all channels from the same operator), with a 26.5% share in all day (29.3% in prime time). On the financial side, the Television segment had a recurring EBITDA of € 37.0 million (margin of 25.5%), representing an increase of 12% when compared with 2012, due to a good performance of operating revenues and cost control.

- The **Audiovisual Production** segment registered an improvement of its figures in the final quarter of the year, with the EBITDA adjusted for indemnities reaching € 1.4 million (+90% vs Q4'12). The Group continues to bet on the quality of its contents and to promote efficiency at all levels, hence expecting this segment to improve its results in 2014.

- **Radio's** segment EBITDA was € 3.2 million (margin of 22.4%), in a record year in both profitability and audience levels. The latter allowed for a sizable improvement in MCR's adverting market share. In fact, MCR kept its advertising revenues stable, although the market should have fallen by 13%. At the end of 2013, Rádio Comercial had its eight consecutive reading as number one radio station in Portugal.

- In **Digital**, there was an overall growth of 74% in pageviews, with special emphasis in TVI's brands, which had an aggregate share of 49.5%, thereby clearly leading its segment. As a consequence of the good operating performance, this segment contributed positively to the Group's EBITDA.

Queluz de Baixo, 19 February 2014

1. Consolidated P&L

€ thousand	2013	2012	% Var	Q4 2013	Q4 2012	% Var
Total operating revenue	**181,716**	**184,319**	**-1%**	**52,198**	**52,184**	**0%**
Television	145,332	141,672	3%	42,216	40,597	4%
Audiovisual Production	42,430	52,745	-20%	11,680	12,648	-8%
Radio	14,412	14,288	1%	4,117	4,346	-5%
Others	20,202	20,821	-3%	5,695	5,530	3%
Consolidation Adjustments	(40,660)	(45,207)	10%	(11,510)	(10,936)	-5%
Total operating expenses ex-D&A	**142,917**	**143,130**	**0%**	**35,978**	**34,642**	**4%**
EBITDA	**38,799**	**41,189**	**-6%**	**16,221**	**17,542**	**-8%**
EBITDA Margin	**21.4%**	**22.3%**	**-1.0pp**	**31.1%**	**33.6%**	**-2.5pp**
Television	36,310	35,106	3%	13,431	14,716	-9%
Audiovisual Production	(1,883)	3,719	N/A	911	736	24%
Radio	3,193	3,049	5%	1,289	1,702	-24%
Others	1,410	180	684%	282	387	-27%
Consolidation Adjustments	(232)	(866)	73%	307	2	N/A
Staff curtailment costs and capital gains on financial assets	1,922	(1,136)	N/A	574	84	N/A
Recurring EBITDA*	**40,721**	**40,052**	**2%**	**16,794**	**17,626**	**-5%**
Recurring EBITDA Margin	**22.4%**	**21.7%**	**0.7pp**	**32.2%**	**33.8%**	**-1.6pp**
Depreciation and amortisation	9,396	11,496	-18%	2,211	2,903	-24%
Operating income (EBIT)	**29,402**	**29,692**	**-1%**	**14,009**	**14,639**	**-4%**
Financial Results	(8,818)	(9,685)	9%	(2,262)	(2,754)	18%
Profit / (Loss) before inc. tax/ no contrl. Int.	**20,584**	**20,007**	**3%**	**11,747**	**11,885**	**-1%**
Income Tax	(6,901)	(8,068)	14%	(3,570)	(5,400)	34%
Profit / (Loss) from continued operations	**13,683**	**11,939**	**15%**	**8,177**	**6,485**	**26%**
Net profit / (loss) for the period	**13,683**	**11,939**	**15%**	**8,177**	**6,485**	**26%**

**Recurring EBITDA – EBITDA adjusted for indemnities and capital gains from the sale of financial assets*

In 2013 Media Capital recorded total **consolidated revenues** of € 181.7 million, which corresponds to a YoY decrease of only 1%, as the Group managed to almost fully compensate the negative impacts stemming from the advertising market (where to Group estimated to have gained market share). In turn, Q4'13 revenues were stable vs the comparable quarter of 2012.

Opex was also stable vs the previous year. Excluding from the analysis the indemnities observed in both years, opex would have decreased.

Consolidated EBITDA reached € 38.8 million, with a 21.4% margin. Excluding the impact from indemnities and the capital gains from the sale of financial assets, EBITDA was € 40.7 million, 2% above 2012 figure, while the margin expanded 0.7pp to 22.4%. In the quarter, the adjusted margin was 32,2%, corresponding to an absolute figure of € 16,8 million.

Consolidated EBIT reached € 29.4 million (1% below 2012), whereas **net profit** was € 13.7 million (+15%), benefiting from better financial results, as well as lower effective income tax rate. In the quarter, EBIT stood 4% lower, reaching € 14.0 million, while net profit was € 8.2 million, representing an improvement of 26% when compared with Q4'12.

€ thousand	2013	2012	% Var	Q4 2013	Q4 2012	% Var
Operating revenue	**181,716**	**184,319**	**-1%**	**52,198**	**52,184**	**0%**
Advertising	102,687	110,866	-7%	31,386	30,411	3%
Other revenues	79,029	73,453	8%	20,812	21,774	-4%

Adverting revenues were down 7% (thus comparing well vs the 8% estimated decrease for the overall market), which occurred due to the weight of the TV segment (-9%). On the regard, the Radio segment was stable, the Others segment stood 1% below the previous year. In the last quarter of 2013, advertising revenues were up 3% YoY, reaching € 31.4 million, with TV rising 6%, Radio decreasing 11% and the Others segment growing 3%.

As for **other revenues**, comprising (among other) audiovisual production, multimedia servicies and transmision rights, these were up 8%, mostly due to TV.

2. Television

€ thousand	2013	2012	Var %	Q4 2013	Q4 2012	Var %
Operating revenue	**145,332**	**141,672**	**3%**	**42,216**	**40,597**	**4%**
Advertising	86,376	94,505	-9%	26,849	25,340	6%
Other revenues	58,956	47,167	25%	15,367	15,257	1%
Operating Expenses, ex D&A	**109,022**	**106,566**	**2%**	**28,785**	**25,881**	**11%**
EBITDA	**36,310**	**35,106**	**3%**	**13,431**	**14,716**	**-9%**
EBITDA margin	25.0%	24.8%	0.2pp	31.8%	36.2%	-4.4pp
Staff curtailment costs and capital gains on financial assets	717	(1,944)	N/A	82	(15)	N/A
Recurring EBITDA*	**37,026**	**33,162**	**12%**	**13,513**	**14,701**	**-8%**
Recurring EBITDA Margin	**25.5%**	**23.4%**	**2.1pp**	**32.0%**	**36.2%**	**-4.2pp**
Depreciation and amortisation	3,985	5,489	-27%	908	1,333	-32%
Operating income (EBIT)	**32,325**	**29,616**	**9%**	**12,522**	**13,382**	**-6%**

**Recurring EBITDA – EBITDA adjusted for indemnities and capital gains from the sale of financial assets*

In 2013, the year of its 20th anniversary, TVI lead audiences in Portugal for the 9th consecutive year, according to GfK, with na average share of 24.6% in all day (+3.5pp above the second position).

This result reflects TVI's strong reputation in Portugal, a market with high penetration of pay TV channels, registering an aggregated share of 28%. None of the thematic cable channels had an audience over 2%, which reflects a significant dispersion among them.

TVI also lead audiences in prime-time, with a share of 27.7%.

From an aggregate point of view, with the launch of +TVI (January '13) exclusively in ZON, TVI consolidated its portfolio of thematic channels, which is also composed by TVI24, TVI Ficção (exclusively in MEO) and TVI Direct ("Secret Story" and "Big Brother VIP").

The combined audience share from all of TVI's channels was 26.5% in all day in 2013, thus making it the only group of channels with a positive variation on a YoY comparison. The aggregate share in prime time was 29.3%.

2013	All-Day (%)
Grupo TVI	**26,5**
Grupo SIC	24,3
RTP	17,0

Source: GfK

In 2013 TVI consolidated its offer, while maintaining its core strategy, with its programming based on the best local and international contents and formats, assuring a clear prevalence of the Portuguese language and production.

TVI's contents lead throughout the day. The morning show "Você na TV" continues to lead on its timeslot with a share of 30.6% and over 42o thousand viewers.

At lunch time, "Jornal da Uma" is once again the most watched news program, with an undisputable share of 28.5% (694 thousand daily viewers).

At the beginning of the afternoon, second runs of the best of TVI's novelas registered strong acceptance among Portuguese spectators. "Tempo de Viver", "Ninguém como Tu" and "Outra" (shares of 29.9%, 27.4% and 29.4%, respectively) lead on their timeslots.

Also on weekday's afternoons, talk show "A Tarde é Sua" obtained a leading share of 23.2% (403 thousand viewers).

Premiered in September in the acess to prime time slot, the juvenile series "I Love It" obtained a 26% share in its target (4 to 24 yrs old). It is worth mentioning that "I Love It" was internationally recognized by its innovative and interactive format and was one of the main highlights in Mipcom (the World's largest audiovisual trade fair).

TVI's main news service, "Jornal das 8" (broadcasted daily at 8pm), is the most watched news program in Portuguese television, with a daily audience of 1.2 million viewers and 26.2% share.

TVI continued its bet on original local drama production, having premiered "Destinos Cruzados" (January), "Mundo ao Contrário" (April) and "Belmonte" (September), which achieved audience shares of 28.2%, 26.8% and 28.5%, respectively.

Regarding Entertainment, the third edition of "A Tua Cara Não me É Estranha", premiered in the beginning of 2013, lead audiences on Sunday nights with 1.3 million viewers and 37.9% share.

During summer, TVI aired "Dança com as Estrelas", which lead on Sunday nights with an average share of 34.7% (over 1.4 million viewers).

It is also worth highlighting the reality show "Big Brother VIP" premiered in April, which obtained a similar audience distribution when comparing with the previous reality shows: the Sunday Gala achieved 1.5 viewers and a share of 37.5%.

The fourth edition of "Secret Story", premiered on September 29th, lead audiences with 35.4% share and 1.5 million viewers.

On weekends, the entertainment show "Não Há Bela Sem João" (Saturday afternoons) and "Somos Portugal" (Sunday afternoon) both lead on their timeslots with 730 thousand viewers and 920 thousand viewers, respectively, with corresponding shares of 22.9% and 27.8%.

In Sports, the matches of the 2012/13 and 2013/14 of the Champions League that TVI broadcasted exclusively in FTA, obtained an audience share of 41.9% (50.7% in Male target), corresponding to more than 2 million viewers. The six matches of the Portuguese Football League obtained an average of 1.8 million viewers (39.7% in share).

In 2013, TVI24 registered its best year ever since its launch in 2009, reaching a 1.7% share in all day (+37% on a YoY comparison). TVI24 also registered a significant improvement of its share on prime time (+44,6% for the global market).

TVI24's share among news channels was of 28% in all day and of 29% in prime time.

October'12 exclusively in MEO, TVI premiered (in the beginning of 2013) another thematic cable channel, +TVI, exclusively in ZON.

Both this newly arrived channels have substantially differences on theirs audience measurement base when compared to the rest of the cable channels, presenting daily audiences characteristic of young products. While TVI Ficção obtained a daily average of 257 thousand viewers, +TVI registered 133 thousand viewers.

In 2013, the internationalisation of Media Capital's products registered an important step up, namely in what regards TVI's channels that kept on taking the best of TVI and TVI24's contents to Portuguese speaking communities around the world.

Aside from TVI Internacional and TVI24, the new channels +TVI and TVI Ficção also expanded their presence abroad and are now available in Angola and Mozambique.

After entering the Spanish, Australian, New Zealand and USA markets in 2013, TVI Internacional is now available in 11 countries and in 4 continents through 23 different platforms. The channel was already present in Angola, Mozambique, France, Switzerland, Luxembourg, Andorra and Monaco.

FINANCIAL PERFORMANCE

Notwithstanding the difficult economic environment, the TV segment accomplished a 3% increase in operating revenues (+4% YoY).

Advertising revenues were down 9% vs the previous year (+6% YoY in Q4'13). Media Capital estimates that the FTA advertising market has fallen by 7%.

Other revenues were up 25% (+1% YoY in Q4'13), thus compensating the negative market impact in terms of advertising.

Opex was up 2% vs 2012, related with the increase in other revenues, albeit the savings achieved in the remaining activity. TVI adjusted its programming costs, mostly in national contents, as well as sports. This was achieved despite the debut of two new channels (TVI Ficção and +TVI, although the first one had been launched in October 2012). In the fourth quarter, opex was 11% up YoY, mostly related with national contents.

Excluding from the analysis the indemnities as well as the capital gains on the sale of financial assets, the segment posted and EBITDA of € 37.0 million, which compares with € 33.2 million in 2012 (+12%), with the margin expanding from 23.4% to 25.5% (+2.1pp). In Q4'13, recurring EBITDA was € 13.5 million (-8%), with the margin going down 4.2pp to 32.0%.

3. Audiovisual Production

€ thousand	2013	2012	Var %	Q4 2013	Q4 2012	Var %
Operating revenue	**42,430**	**52,745**	**-20%**	**11,680**	**12,648**	**-8%**
Advertising	0	0	0%	0	0	0%
Other revenues	42,430	52,745	-20%	11,680	12,648	-8%
Operating Expenses, ex D&A	**44,313**	**49,026**	**-10%**	**10,769**	**11,912**	**-10%**
EBITDA	**(1,883)**	**3,719**	**N/A**	**911**	**736**	**24%**
EBITDA margin	-4.4%	7.1%	-11.5pp	7.8%	5.8%	2.0pp
Staff curtailment costs	1,158	525	120%	491	3	N/A
Recurring EBITDA*	**(725)**	**4,245**	**N/A**	**1,402**	**739**	**90%**
Recurring EBITDA Margin	**-1.7%**	**8.0%**	**-9.8pp**	**12.0%**	**5.8%**	**6.2pp**
Depreciation and amortisation	3,465	3,825	-9%	816	1,026	-20%
Operating income (EBIT)	**(5,347)**	**(106)**	**N/A**	**95**	**(290)**	**N/A**

The Audiovisual Production segment had operating revenues of € 42.4 million, decreasing 20% vs 2012. In the final quarter of the year, the EBITDA figure was € 11.7 million, corresponding to a YoY variation of -8%.

In Portugal, operating revenues were down 13% (+8% YoY in the quarter), due to the lower revenues associated to tv productions (lower number of hours produced), albeit an important increased rendering of production services and building of scenarios.

In what regards Spain, operating revenues showed a reduction of output to customers in that country (mainly generalist channels, thematic channels and local channels).

In order to improve profitability levels, the Group has opted to adapt its structure while turning it more flexible. With most of the work done, with this movement the production arm is now better prepared to face the future and the sector challenges. Such an effort implied a significant amount of indemnities recorded in 2013.

Given the lower revenues, and excluding indemnities, the **EBITDA** also fell, having reached a negative figure of € 0.7 million, which compares with € 4.2 million in 2012. However, in the fourth quarter, EBITDA was € 1.4 million (vs. € 0.7 million in Q4'12).

On final note to say that the 3D motion picture "Futbolín", coproduced by Plural and premiered in 2013, won the Goya Prize, attributed by Spain's "Academia das Artes e Ciências Cinematográficas" for best Animated motion picture.

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4. Radio

€ thousand	2013	2012	Var %	Q4 2013	Q4 2012	Var %
Operating revenue	**14,412**	**14,288**	**1%**	**4,117**	**4,346**	**-5%**
Advertising	13,476	13,489	0%	3,697	4,146	-11%
Other revenues	936	799	17%	420	200	111%
Operating Expenses, ex D&A	**11,219**	**11,239**	**0%**	**2,828**	**2,644**	**7%**
EBITDA	**3,193**	**3,049**	**5%**	**1,289**	**1,702**	**-24%**
EBITDA margin	22.2%	21.3%	0.8pp	31.3%	39.2%	-7.9pp
Staff curtailment costs	37	58	-36%	0	2	N/A
Recurring EBITDA*	**3,230**	**3,107**	**4%**	**1,289**	**1,704**	**-24%**
Recurring EBITDA Margin	**22.4%**	**21.7%**	**0.7pp**	**31.3%**	**39.2%**	**-7.9pp**
Depreciation and amortisation	1,476	1,627	-9%	373	411	-9%
Operating income (EBIT)	**1,717**	**1,422**	**21%**	**917**	**1,291**	**-29%**

MCR's **advertising revenues** were broadly stable when compared with 2012. Following the trend observed over the last years, the Group estimates to have substantially gained market share, has the radio market fell by approximately 13%. In the last quarter, advertising revenues were 11% below the comparable period of 2012, i.e. roughly in line the expected market performance.

Other operating revenues were up 17%, due to the development of other revenue streams, complementary with adverting.

As for opex, the variation was rather small, with the Group maintaining its tight grip on cost drivers.

As a result, **EBITDA** adjusted for indemnities was € 3.2 million (improving 4% vs 2012), with a margin of 22.4% (+0.7pp). In the last three months of the year, EBITDA was € 1.3 million (-24%), with the margin reaching 31.3%.

Regarding the audiences of the radio market, as of the beginning of 2013 a new methodology was put in place. Hence, the values now published are not comparable with the ones available until the end of 2012.

Notwithstanding such changes, audience data continued to highlight the good performance of MCR.

As a matter of fact, MCR's group of radios had, in the final audience measurement of 2013, a **reach** of **22.3% and a share of 31.4%**, with **Rádio Comercial** standing out, as it kept leadership with a reach of **15.0% (share of 21.1%)**. It was the eight consecutive audience reading with Rádio Comercial ranking as number one radio in Portugal

In turn, **m80** obtained a reach of 4.0% (*share* of 5.6%). m80 is the third most listenned to radio station in the Greater Lisbon Area.

Concerning other formats, **Cidade FM** got a reach of 4.0% (share of 3.9%), thus leading the youngest commercially relevant audience segment.

As regards the presence in social media, with more than 1 million fans on Facebook, Rádio Comercial continues to lead the ranking among Portuguese media brands.

5. Others

€ thousand	2013	2012	Var %	Q4 2013	Q4 2012	Var %
Operating revenue	**20,202**	**20,821**	**-3%**	**5,695**	**5,530**	**3%**
Advertising	3,150	3,167	-1%	990	964	3%
Other revenues	17,053	17,654	-3%	4,706	4,566	3%
Operating Expenses, ex D&A	**18,792**	**20,640**	**-9%**	**5,413**	**5,143**	**5%**
EBITDA	**1,410**	**180**	**684%**	**282**	**387**	**-27%**
EBITDA margin	7.0%	0.9%	6.1pp	5.0%	7.0%	-2.0pp
Staff curtailment costs	11	225	-95%	(0)	94	N/A
Recurring EBITDA*	**1,421**	**405**	**251%**	**282**	**481**	**-41%**
Recurring EBITDA Margin	**7.0%**	**1.9%**	**5.1pp**	**5.0%**	**8.7%**	**-3.7pp**
Depreciation and amortisation	471	554	-15%	114	133	-14%
Operating income (EBIT)	**940**	**(374)**	**N/A**	**168**	**254**	**-34%**

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

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.

MCD made successful efforts to innovate and improve its digital contents, already available in multiple platforms (Apple, Nokia, Android, Samsung and Windows 8) and devices (smartphones, tablets and smart tvs), having so far developed over 20 apps to several of the Group's brands.

Some of the key projects during 2013 were:

- The partnership agreed with Goodlife involving the exploration by the latter of the collective buying website planeo.pt;
- The partnership agreed with OLX – comprising the inclusion of its sites within the ones explored by MCD in terms of advertising;
- The new website Spot+ - a portal that aims at being the number one aggregator of contents available at the social networks of VIP's. Simultaneously with this digital product a TV show was also created;
- TVI 20 anos – a special website within the TVI's website containing content broadcasted by TVI since its inception;
- TVI Economia – integration of the website Agência Financeira within the economy/financial area of TVI24's website;
- Representing un unprecedented innovation in Portugal, the TV program "A Tua Cara Não Me é Estranha" (entertainment) had several interactive apps for iPad, iPhone Android and PC, that allowed viewers to play and actively participated in the program as it was aired;
- Big Brother VIP – A new site was developed, entirely oriented towards video, where it was possible to follow in real time all the action of this reality show;
- Big Brother VIP – new app for Windows 8 that allowed live viewing 24h a day. Paid app with an trial period;
- Big Brother VIP – interactive app for MEO (pay-tv operator) with many functionalities (e.g. watching best moments, exclusive cameras, voting, access to the program's facebook page, etc);
- Guimarães 2013 – Guimarães is the European Sports City of 2013. MCD's "Mais Futebol" is media partner of the event and is responsible for a special coverage of all the related sports activities;
- New website Mais Futebol – a website that adapts itself to different screens and platforms;
- Secret Story 4 – new website totally oriented to video, where it is possible to follow every minute of the most watched house in Portugal;
- Secret Story 4 – interactive app for MEO (pay-tv), which gives access to exclusive cameras as well as to participate in weekly voting;

- Blogs – new business line that explores the potential of the TV channel's stars. Two are already online: dailyCristina.pt and jessyjames.pt;
- Website I Love It – the new TVI youth series;
- Website "Belmonte" – photos and videos of this novella, and many extras;
- Digital Activation – digital marketing that allows Media Capital to reach all sorts of public, as well as managing and differentiate its brands in the digital arena, by means of cross promotions and cross reference of the contents on-air with digital ones. Examples: bambylandia.pt and beinfiniteandawake.blogspot.pt

As a result, MCD's network of sites registered a substantial increase of 74% on a YoY comparison, going from an average of 152 million monthly pageviews to over 400 million in 2013. It is worth highlighting TVI's family of sites achieved an aggregate leading share of 45.3% in visits and 49.5% in pageviews, with a clear advantage over its competitors. MCD's managed videos achieved more than 115 million views, while social networks reached over 4 million followers.

Advertising revenues of the segment decreased by 1% (+3% YoY in the quarter). The growth registered in several of the projects (namely TVI's sites) was not enough to offset the revenue decrease and, mainly, the consequences derived from the change in Planeo's business model (despite its positive impact in operational costs).

The 3% reduction in other operating revenues is mostly justified by the decrease in cinema, music and event's revenues.

Operating costs fell 9%, as a consequence of (i) an improvement in resources management, (ii) minor activity and (iii) change in Planeo's business model and lower CD's sales.

EBITDA was positive in € 1.4 million (€ 0.4 million in 2012).

6. Consolidation adjustments

€ thousand	2013	2012	Var %	Q4 2013	Q4 2012	Var %
Operating revenue	**(40,660)**	**(45,207)**	**10%**	**(11,510)**	**(10,936)**	**-5%**
Advertising	(314)	(295)	-6%	(149)	(39)	-278%
Other revenues	(40,346)	(44,911)	10%	(11,361)	(10,896)	-4%
Operating Expenses, ex D&A	**(40,429)**	**(44,341)**	**9%**	**(11,817)**	**(10,937)**	**-8%**
EBITDA	**(232)**	**(866)**	**N/A**	**307**	**2**	
EBITDA margin	0.6%	1.9%	-1.3pp	-2.7%	0.0%	-2.7pp
Depreciation and amortisation	0	0	0%	0	0	0%
Operating income (EBIT)	**(232)**	**(866)**	**N/A**	**307**	**2**	

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	2013	2012	Var %	Q4 2013	Q4 2012	Var %
Receipts	235,179	215,548	9%	69,931	59,060	18%
Payments	(215,193)	(200,182)	-7%	(50,190)	(44,584)	-13%
Cash flows op. activities (1)	**19,985**	**15,366**	**30%**	**19,741**	**14,475**	**36%**
Receipts	10,501	17,270	-39%	2,944	14,745	-80%
Payments	(7,538)	(15,365)	51%	(3,942)	(10,168)	61%
Cash flows inv. activities (2)	**2,963**	**1,904**	**56%**	**-998**	**4,577**	**N/A**
Receipts	103,291	177,944	-42%	18,562	22,711	-18%
Payments	(131,769)	(196,232)	33%	(34,952)	(33,142)	-5%
Cash flows fin. activities (3)	**-28,478**	**-18,288**	**-56%**	**-16,390**	**-10,431**	**-57%**
Cash at the begining of the period	10,790	11,813	-9%	2,884	2,178	32%
Variation of cash (4) = (1) + (2) + (3)	(5,529)	(1,018)	-443%	2,353	8,621	-73%
Efect of FX variations	(25)	(4)	-498%	(0)	(9)	99%
Cash at the end of the period	**5,237**	**10,790**	**-51%**	**5,237**	**10,790**	**-51%**

Operating cash flow was € 20.0 million, comparing with € 15.4 million in 2012. This variation includes non-recurring cash flows, such as the payment made in 2012 amounting to € 3.9 million relative to a litigation process dating from 2003, related to transmitter of the analogue broadcasting network (RETI). On the other hand, in 2013 income tax cash flow was € 13.3 million lower than in 2012 (i.e. more tax paid out this year), something that should be taken as non-recurring going forward.

Cash flow from investing activities was € 3.0 million vs previous year's € 1.9 million. The cash outflow related with tangible and intangible was € -2.8 million, which compares with € -2.7 million in 2012, thus signaling the Group's effort in having capex under strong scrutiny.

Cash flow from financing activities was negative in € 28.5 million, reflecting the movements of both operating and investing activities, as well as the dividends paid out (€ 11.3 million, vs € 5.8 million in 2012) and the lower cash and equivalents that the Group ended 2013 with.

8. Net Debt

€ thousands	Dec 13	Dec 12	Abs Var	% Var
Group financial debt	**110,807**	**113,375**	**(2,568)**	**-2%**
Bank loans / Commercial paper	108,304	110,235	(1,931)	-2%
Other debt	2,503	3,140	(637)	-20%
Cash & equivalents	**5,237**	**10,790**	**(5,554)**	**-51%**
Net debt	**105,571**	**102,584**	**2,986**	**3%**

Regarding **net debt**, there was an increase of 3% (+€ 3.0 million vs December 2012), with Media Capital ending the year with € 105.6 million. It is worth mentioning that leasings, which amount to € 2.5 million, are included in the figure above.

Media Capital thus ends the year with an adequate capital structure.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2013 AND 2012

(Amounts stated in Euro thousand)

ASSETS	2013	2012
NON-CURRENT ASSETS:		
Goodwill	153,568	153,568
Intangible assets	15,972	18,486
Tangible fixed assets	17,357	21,616
Investments in associates	1,612	1,592
Assets held for sale	8	8
Transmission rights and TV programs	46,469	50,407
Other non-current assets	3,961	4,758
Deferred income tax assets	4,279	4,669
	243,225	255,103
CURRENT ASSETS:		
Transmission rights and TV programs	33,091	29,500
Inventories	102	187
Trade and other account receivable	42,086	40,908
Current tax assets	127	141
Other current assets	10,748	14,653
Cash and cash equivalents	5,237	10,790
	91,391	96,179
TOTAL ASSETS	334,616	351,282

EQUITY AND LIABILITIES	2013	2012
EQUITY:		
Share capital	89,584	89,584
Reserves	25,261	24,569
Profit for the period	13,683	11,939
Equity attributable to controlling interests	128,529	126,092
Total Equity	128,529	126,092
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	77,566	86,319
Provisions	6,602	7,727
Deferred income tax liabilities	1,478	1,598
	85,647	95,644
CURRENT LIABILITIES:		
Borrowings	33,241	27,056
Trade and other payables	45,442	53,071
Current tax liabilities	1,159	6,373
Other current liabilities	40,598	43,046
	120,440	129,546
Total liabilities	206,087	225,190
TOTAL EQUITY AND LIABILITIES	334,616	351,282

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013 AND 2012

(Amounts stated in Euro thousand)

	2013	2012
OPERATING REVENUES:		
Services rendered	119,985	133,190
Sales	1,888	2,294
Other operating revenue	59,844	48,835
Total operating revenue	181,716	184,319
OPERATING EXPENSES:		
Cost of programs broadcasted and goods sold	(25,742)	(22,374)
Subcontrats and third party supplies	(66,781)	(68,224)
Payroll expenses	(50,498)	(52,821)
Depreciation and amortization	(9,396)	(11,496)
Provisions and impariment losses	728	800
Other operating expenses	(624)	(511)
Total operating expenses	(152,314)	(154,626)
Net operating profit	29,402	29,692
FINANCIAL EXPENSES:		
Financial expense	(9,518)	(9,834)
Financial income	574	208
Finance costs, net	(8,943)	(9,626)
Gains (losses) on associated companies, net	125	(60)
	(8,818)	(9,685)
Profit before tax	20,584	20,007
Income tax expense	(6,901)	(8,068)
Consolidated net profit for continued operations	13,683	11,939
Attributable to:		
Equity holders of the parent	13,683	11,939
Earnings per share (Euros)		
Basic	0.1619	0.1413
Diluted	0.1619	0.1413

GRUPO MEDIA CAPITAL, SGPS, S.A.

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 AND 2012

(Amounts stated in Euro thousand)

	2013	2012
OPERATING ACTIVITIES:		
Cash receipts from customers	235,179	215,548
Cash paid to suppliers	(110,885)	(111,702)
Cash paid to employees	(49,942)	(54,669)
Cash generated from operations	74,351	49,177
Cash received/(paid) relating to income tax	(12,087)	1,188
Other cash received/(paid) relating to operating activities	(42,279)	(34,999)
Net cash from operating activities (1)	19,985	15,366
INVESTING ACTIVITIES:		
Cash received relating to:		
The sale of subsidiaries	-	1,512
Disposal of fixed tangible assets and intangible assets	1,747	86
Dividends	111	302
Interest and similar income	656	226
Loans granted	7,987	15,144
	10,501	17,270
Payments resulting from:		
Business concentrations	(1,584)	(10,332)
Acquisition of tangible assets	(2,837)	(2,667)
Acquisition of intangible assets	-	(11)
Loans granted	(3,117)	(2,356)
	(7,538)	(15,365)
Net cash from /(used in) investing activities (2)	2,963	1,904
FINANCING ACTIVITIES:		
Cash received relating to:		
Borrowings	103,291	177,944
Cash paid relating to:		
Borrowings	(110,487)	(179,195)
Leases	(1,299)	(1,763)
Interest and other similar expenses	(6,617)	(6,354)
Dividends	(11,325)	(5,815)
Other financial expenses	(2,041)	(3,106)
	(131,769)	(196,232)
Net cash from/(used in) financing activities (3)	(28,478)	(18,288)
Cash and equivalents at the begining of the period	10,790	11,813
	-	-
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(5,529)	(1,018)
Exchange rate effect	(25)	(4)
	-	-
Cash and equivalents at the end of the period	5,237	10,790