



# First Half 2011 Results

**Grupo Média Capital, SGPS, S.A.**



**59 consecutive months of leadership**



**Sustained audience growth in its best half year ever**



**Improving audience share and advertising market share by the second most listened to radio station in Portugal and the most listened to radio station in the Lisbon area**



**New record of unique users in a single day (324 thousand)**



**Bet on innovation: apps "Marcelo", "Estrada Nacional" and "Bola na Barra"**



**162 million monthly pageviews. "Incrível Porto" – first digital book launched in Portugal (print copy followed). "Maisfutebol" app.**



▪ **"Best Production Company"**  
Award by Meios & Publicidade



▪ **"Best Sports Program"**  
Award by Liga Portuguesa de Futebol



▪ **"Best Cultural Program"**  
Award by Movimento Arte Contemporânea  
▪ **"Best Presenter of Cultural Promotion"**  
João Paulo Sacadura  
Award by Movimento Arte Contemporânea

GRUPO MÉDIA CAPITAL SGPS, SA  
Sociedade Aberta  
Sede: Rua Mário Castelhana, n.º 40, Barcarena, Oeiras  
Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)  
Pessoa Colectiva n.º 502 816 481  
Capital Social: 89.583.970,80 euros

## FIRST HALF 2011 RESULTS

For the first half of 2011 Media Capital reports an EBITDA of € 22.4 million, 8% above the comparable period.

- Operating revenues reached € 118.0 million, with total **advertising revenues** of € 70.7 million, 4% below 1H'10, whereas other operating revenues stood at the same level.
- **TVI** led audience shares yet again by a strong margin, with FTA shares of 34.3% in all day and 38.2% in prime time. In turn, **TVI24** attained its best half year ever, while showing an improving trend. Non-advertising operating revenues of the TV segment grew markedly, which allowed for a 2% increase of the segment's overall revenues. As a result, profitability stayed at attractive levels, with an EBITDA margin of 24% for the segment.
- The **Audiovisual Production** segment saw a 5% reduction in its operating revenues, although EBITDA increased 1pp to 8.3%.
- In **Radio**, the advertising revenues soared 13%, with a clear outperformance versus the market. EBITDA margin was 19%, with EBITDA improving € 1.3 million YoY, reaching € 1.4 million. Audience figures for the first two quarters showed once again a healthy performance, with **Rádio Comercial** and **m80** increasing their listeners base by 20% and 21% respectively on a YoY basis.
- In the **Entertainment** segment, EBITDA for the first six months was € -0.2 million, thus reducing substantially its negative contribution versus 1H'10, despite the deterioration observed in the sector.
- In **Internet**, **IOL** and **MCM's** network of sites continue to grow in volume indicators as well as advertising. TVI consolidates its leadership position among the Portuguese sites of TV networks. The first half of the year was also marked by the launching of the apps TVI24 for iPad and other platforms and interfaces, with sizable levels of usage by consumers, putting Media Capital also in the pole position of mobile platforms. The presence in e-commerce was also boosted in Q2'11 through the project "**Planeo**".

Queluz de Baixo, 26 July, 2011

### Grupo Media Capital Investor Relations

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



## 1. Consolidated P&L

€ thousand	1H 2011	1H 2010	% Var	Q2 2011	Q2 2010	% Var
<b>Total operating revenue</b>	<b>118,007</b>	<b>120,453</b>	<b>-2%</b>	<b>64,457</b>	<b>65,237</b>	<b>-1%</b>
Television	77,615	76,212	2%	41,942	41,520	1%
Audiovisual Production	42,049	44,252	-5%	22,773	23,654	-4%
Entertainment	7,303	9,794	-25%	3,777	4,356	-13%
Radio	7,504	6,375	18%	4,132	3,763	10%
Others	8,568	7,712	11%	4,199	4,422	-5%
Cons. Adjustments	(25,031)	(23,891)	5%	(12,366)	(12,478)	-1%
<b>Total operating expenses ex-D&amp;A</b>	<b>95,656</b>	<b>99,811</b>	<b>-4%</b>	<b>48,933</b>	<b>50,678</b>	<b>-3%</b>
<b>EBITDA</b>	<b>22,351</b>	<b>20,642</b>	<b>8%</b>	<b>15,525</b>	<b>14,559</b>	<b>7%</b>
<b>EBITDA Margin</b>	<b>18.9%</b>	<b>17.1%</b>	<b>1.8pp</b>	<b>24.1%</b>	<b>22.3%</b>	<b>1.8pp</b>
Television	18,434	19,634	-6%	13,034	13,297	-2%
Audiovisual Production	3,477	3,219	8%	2,164	1,808	20%
Entertainment	(225)	(1,403)	-84%	(132)	(851)	-84%
Radio	1,434	175	n.m.	1,272	643	98%
Others	(194)	(545)	-64%	(226)	(69)	230%
Cons. Adjustments	(575)	(438)	31%	(587)	(270)	118%
Depreciation and amortisation	5,758	5,963	-3%	2,903	3,126	-7%
<b>Operating income (EBIT)</b>	<b>16,594</b>	<b>14,679</b>	<b>13%</b>	<b>12,622</b>	<b>11,433</b>	<b>10%</b>
Financial results	(2,056)	(2,904)	-29%	(1,278)	(1,337)	-4%
<b>Profit / (Loss) before inc. tax/ no contrl. In</b>	<b>14,538</b>	<b>11,775</b>	<b>23%</b>	<b>11,344</b>	<b>10,096</b>	<b>12%</b>
Income tax	(4,307)	(2,738)	57%	(3,298)	(1,958)	68%
<b>Profit / (Loss) from continued operations</b>	<b>10,231</b>	<b>9,037</b>	<b>13%</b>	<b>8,046</b>	<b>8,138</b>	<b>-1%</b>
Profit / (Loss) from disc. operations	0	0	n.a.	0	0	n.a.
No Controlling interests	(472)	(751)	-37%	(211)	(504)	-58%
<b>Net profit / (loss) for the period</b>	<b>9,758</b>	<b>8,286</b>	<b>18%</b>	<b>7,835</b>	<b>7,634</b>	<b>3%</b>

In the first half of 2011 (1H'11) Media Capital reports **consolidated revenues** of € 118.0 million, down 2% over the comparable period. In Q2'11, the YoY variation was -1%.

**Consolidated EBITDA** was up 8% to € 22.4 million, with a margin of 19%. In the quarter, EBITDA reached € 15.5 million, i.e. 7% above last year, with a 24% margin.

**EBIT** also increased (+13%), reaching € 16.6 million, whereas **net profit** was € 9.8 million (€ 7.8 million in 1H'10), benefiting not only from the better operating performance, but also from the favourable evolution of net financial results (related with the mark-to-market of the interest rate swap), and despite a higher effective tax rate.

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€ thousand	1H 2011	1H 2010	% Var	Q2 2011	Q2 2010	% Var
<b>Operating revenue</b>	<b>118,007</b>	<b>120,453</b>	<b>-2%</b>	<b>64,457</b>	<b>65,237</b>	<b>-1%</b>
Advertising	70,670	73,306	-4%	39,549	40,794	-3%
Other revenues	47,337	47,147	0%	24,908	24,443	2%

Concerning operating revenues, **advertising** was down 4%, due to the weight of the TV segment, with a -5% performance. In Radio, the YoY variation was a positive one (+13%), while the Others segment was down (-2%). In

Q2'11, the overall reduction was 3% (-4% in TV, +11% in Radio and -7% in Others).

As regards the **advertising market**, at this point in time there is no available information on the first half of the year. Nonetheless, the

group estimates to have improved its market share, most notably in TV and Radio.

**Other operating revenues** were basically flat, with the increase in the TV, Radio and Others segments offsetting the drop in the remaining ones. In the quarter, the increase was 2%, with a similar trend as the one mentioned for the six months, with the exception of Radio, where the these revenues were down (albeit the absolute value is small).

**Total operating costs** decreased by 4% YoY, as a result of both lower activity in AV Production and Entertainment, and efficiency

gains accomplished all across the organisation. As for Q2'11, costs were down 3%.

In the first six months of 2011, **net financial results** improved from € -2.9 million to € -2.1 million, benefiting from the interest rate swap, which had a contribution of € 0.5 million vs. € -1.3 million in last year's first half.

**Net profit** reached € 9.8 million during the first six months of 2011, thus positively comparing with the € 8.3 million posted a year ago. The Q2'11 improved 3% from Q2'10.

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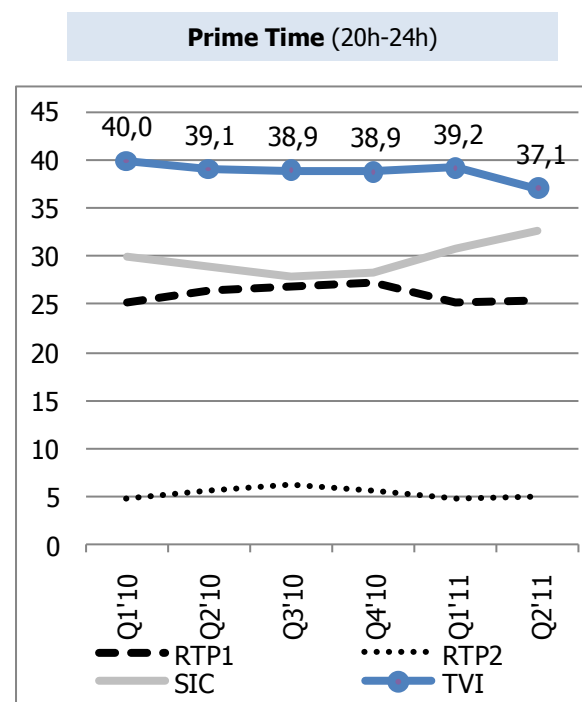
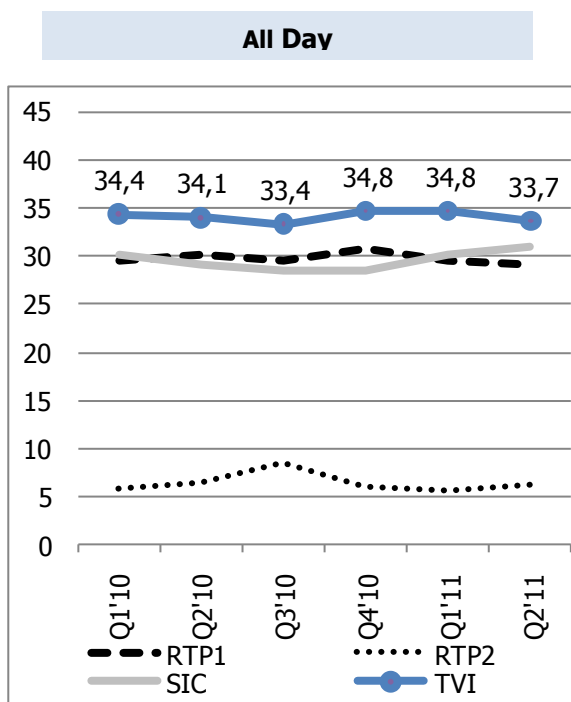
## 2. Television

€ thousand	1H 2011	1H 2010	Var %	Q2 2011	Q2 2010	Var %
<b>Operating revenue</b>	<b>77,615</b>	<b>76,212</b>	<b>2%</b>	<b>41,942</b>	<b>41,520</b>	<b>1%</b>
Advertising	62,920	66,150	-5%	35,108	36,609	-4%
Other revenues	14,694	10,062	46%	6,834	4,911	39%
<b>Operating Expenses, ex D&amp;A</b>	<b>59,180</b>	<b>56,578</b>	<b>5%</b>	<b>28,909</b>	<b>28,223</b>	<b>2%</b>
<b>EBITDA</b>	<b>18,434</b>	<b>19,634</b>	<b>-6%</b>	<b>13,034</b>	<b>13,297</b>	<b>-2%</b>
EBITDA margin	23.8%	25.8%	-2.0pp	31.1%	32.0%	-1.0pp
Depreciation and amortisation	3,001	2,995	0%	1,515	1,583	-4%
<b>Operating income (EBIT)</b>	<b>15,433</b>	<b>16,639</b>	<b>-7%</b>	<b>11,519</b>	<b>11,714</b>	<b>-2%</b>

The Television segment includes the activities of both TVI and Publipartner, the latter being a marketing management group company created to develop advertising related revenue sources. As a significant part of Publipartner's

activity is directly related to TVI and the use of its advertising inventory, consolidated advertising revenues for the segment are lower (although by a small amount) than TVI's alone.

### Quarterly Audience Share (FTA Channels, %)



Source: Marktest

In the first six months of 2011, TVI has once again led FTA audience shares in Portugal, leading in all day with a share of 34.3%, being now close to lead audiences for five consecutive years. The second position among the generalist channels achieved a share of 30.6% and the third position 29.4%.

In prime time, running from 8pm to 12am, TVI recorded a share of 38.2%, 6.6pp above that of the next player and 12.9pp above the third one.

Regarding **Portuguese drama** broadcasted in the evenings, the soap "**Anjo Meu**" was first aired on 20 March. With its main action taking place in the 80's, it registered an average share of 40.6% (42% in housewives), corresponding to more than 1.1 million faithful daily viewers across various social demographics.

In May, and also broadcasted in prime time, "**Remédio Santo**" had its debut. Written by the author of the Emmy awarded soap "**Meu Amor**", António Barreira, it obtained a share of

39.4%, i.e. 1.1 million viewers. In housewives, the share was higher, at 40.5%.

Still in drama, but in other format, the highlight goes to the three mini-series produced by Plural: **"O Dom"**, **"O Amor é um Sonho"** and **"Redenção"**. These products diversified TVI's offering on Saturdays nights, with very good audience data (shares of 45.2%, 34.0% and 40.2% respectively).

Latter on weekdays nights, the soap **"Sedução"** had a 40.8% share, with an average of 600 thousand viewers.

The youth series **"Morangos com Açúcar"**, in its eight year, had a share above 60% in its core audience (4/24 years-old). The Summer series (which started in June) also posted attractive figures (71.8% share in 4/24 years-old).

In **News**, the major highlight refers to the reinforced value proposal offered by TVI, which in a short period has already generated a quite positive reaction in ratings and audience.

The main daily news program **"Jornal das 8"** (starting at 8pm) was first aired on 6 May and has an average audience share of 32.4% (820 thousand viewers). Its Sunday edition (with Marcelo Rebelo de Sousa) gets a boost, with a 35.8% share and 1.1 million viewers.

On lunch time (1pm), **"Jornal da Uma"**, achieves a 31.9% share from Mondays to Fridays. TVI also set up several special emissions regarding both the Presidential Elections (January) and General Elections (June), which generated shares of 34% and 32.5% respectively.

Regarding **Sports**, the matches of the Liga Portuguesa de Futebol (Portuguese Football League) achieved an average audience of 1.1 million viewers – 43.2% share from the total audience and 53.0% among the Male target.

In **Entertainment**, TVI first aired the reality **"Perdidos na Tribo"** in May, with its seven Sunday programs posting 1.2 million viewers and a share of 42.2%.

Still on entertainment, Cristina Ferreira and Manuel Luís Goucha lead their timeslot with the talk show **"Você na TV"** reaching a share of 38.4% (more than 300.000 viewers). The two professionals also presented **"Uma Canção para Ti"**, which lead Sunday nights, with an average share of 41.1%, corresponding to almost 1 million viewers.

On weekdays afternoons, Fátima Lopes presented **"A Tarde é Sua"**, leading its timeslot with a share of 33.7% (35% in the housewives target). Fátima Lopes also presented two specials, **"Juntos por Si"**, (38.6% share) and **"Madeira em Flor"** (35.3%).

As regards **International Drama**, TVI premiered two mini-series: **"Pilares da Terra"** (35.4% share) and **"O Rosto da Mentira"** (32.8%). On weekends the action series **"Havai: Força Especial"**, achieved a share of 30.8%.

In **cinema**, the weekend afternoon programming observed an average share of 28.6% on Saturdays and 31.4% on Sundays.

As in previous years, TVI broadcasted the **Oscar ceremony**, achieving a 39.2% share (48.1% among the ABC1 / 25 to 54 years-old target).

## TVI24

In this period, TVI24 continued to improve, with 1H'11 being its best ever first half, with a share of 1.1% for both all day and prime time.

On the 1H'11, and among the Portuguese news channels, TVI24 achieved a 16% share all day and 19.4% in prime time.

## FINANCIAL PERFORMANCE

In terms of **financial performance**, and notwithstanding the poor macro environment, the Television segment total operating revenues were up 2% YoY (1% in Q2'11). **Advertising revenues** were down 5% YoY. Media Capital estimates that the FTA advertising market has decreased by approximately 8% versus the comparable period, thus meaning a gain in market share. As for the Q2'11, advertising revenues fell 4%, whereas the FTA market should have decrease by 10%, again meaning an outperformance by TVI.

**Other operating revenues** were up 46% (39% in Q2'11), representing now 19% of the segment's total revenues (13% in 1H10), with such performance offsetting the reduction registered in advertising. The main contribution to this evolution comes from the tremendous

growth seen in multimedia services and, to a less extent, from higher transmission rights.

**Operating costs** were up 5% vs. 1H10. However, excluding the impact from the growth of other revenues, as well as intra-group transactions related to management fees, the evolution would have been an upward increase of 1%. These 1% are justified with programming costs, which have also gone up by 2% both in 1H11 and in Q2'11. Such performance was possible due to a programming strategy that allowed to almost compensate the cost increase derived from (i) the acquisition by TVI of the Superliga football rights (which did not happen in the previous season); and (ii) the coverage of the presidential and general elections. This

evolution was partially offset by a cut in the remaining parts of the programming grid. As for the quarter, opex grew 2%, with similar justifications.

It should be noted that a key component of the schedule costs – national drama – is from in-house Group productions (via Plural), which therefore retains added value from it.

The combination of the revenue and cost performance resulted in an **EBITDA** of € 18.4 million in 1H'11, which compares with € 19.6 million in 1H'10. The EBITDA margin went from 25.8% to 23.8%. In Q2'11 EBITDA fell 2% to € 13.0 million, with the margin going from 32.0% to 31.1%.



### 3. Audiovisual Production

€ thousand	1H 2011	1H 2010	Var %	Q2 2011	Q2 2010	Var %
<b>Operating revenue</b>	<b>42,049</b>	<b>44,252</b>	<b>-5%</b>	<b>22,773</b>	<b>23,654</b>	<b>-4%</b>
Advertising	0	0	n.a.	0	0	n.a.
Other revenues	42,049	44,252	-5%	22,773	23,654	-4%
<b>Operating Expenses, ex D&amp;A</b>	<b>38,572</b>	<b>41,033</b>	<b>-6%</b>	<b>20,609</b>	<b>21,846</b>	<b>-6%</b>
<b>EBITDA</b>	<b>3,477</b>	<b>3,219</b>	<b>8%</b>	<b>2,164</b>	<b>1,808</b>	<b>20%</b>
EBITDA margin	8.3%	7.3%	1.0pp	9.5%	7.6%	1.9pp
Depreciation and amortisation	1,452	1,404	3%	745	745	0%
<b>Operating income (EBIT)</b>	<b>2,025</b>	<b>1,816</b>	<b>12%</b>	<b>1,419</b>	<b>1,063</b>	<b>34%</b>

The audiovisual production segment achieved total operating revenues of € 42.0 million, 5% less YoY. In Q2'11, the reduction was 4%, towards a value of € 22.8 million.

Regarding **operating revenues**, the activity in Spain showed a reduction, chiefly in terms of production to generalist and autonomic TVs, as well as management of the latter. This situation was not compensated by the higher income generated with cinema (sale of catalogue and subsidies) and international sales. In the second quarter, the activity in Spain decreased by 3%, with the justification being similar to the ones mentioned for the first six months of the year.

As for the operations in Portugal, overall operating revenues were flat, with content

production also in line with the last year figure, whereas revenues from technical services improved and thus helped to compensate lower revenues elsewhere. In the quarter, revenues were down 5%, mostly due to content production, as technical services improved.

In spite of the lower activity, **EBITDA** ended up higher than in the comparable period, benefiting from (i) cost cutting and (ii) revenues associated to cinema, thus improving 8% to € 3.5 million, with the margin going up 1pp to 8.3%. As regards second quarter's data, the same justifications apply, only in this case with a higher impact from the subsidies, which boosted help EBITDA to boost 20%, as well as the margin (to 9.5%).





## 4. Entertainment



€ thousand	1H 2011	1H 2010	Var %	Q2 2011	Q2 2010	Var %
<b>Operating revenue</b>	<b>7,303</b>	<b>9,794</b>	<b>-25%</b>	<b>3,777</b>	<b>4,356</b>	<b>-13%</b>
Music & Events	1,557	3,731	-58%	804	1,986	-60%
Cinema & Video	5,746	6,062	-5%	2,973	2,371	25%
<b>Operating Expenses, ex D&amp;A</b>	<b>7,527</b>	<b>11,197</b>	<b>-33%</b>	<b>3,909</b>	<b>5,207</b>	<b>-25%</b>
<b>EBITDA</b>	<b>(225)</b>	<b>(1,403)</b>	<b>-84%</b>	<b>(132)</b>	<b>(851)</b>	<b>-84%</b>
EBITDA margin	-3.1%	-14.3%	11.3pp	-3.5%	-19.5%	16.0pp
Depreciation and amortisation	64	77	-17%	31	40	-21%
<b>Operating income (EBIT)</b>	<b>(288)</b>	<b>(1,480)</b>	<b>-81%</b>	<b>(163)</b>	<b>(891)</b>	<b>-82%</b>

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 – Multimedia.

**Revenues** for the first half of the year fell 25%, 58% in the case of Music & Events and 5% in Cinema & Video. In Q2'11, the aggregate revenues was down 13% (-60% in Music and Events and +25% in Cinema & Video).

In the **Music and Events** business, following the structural fall in the physical market (no final data available, but estimated at a relevant two digit fall), CD sales fell 64%, mainly due to product devolutions.

In **Cinema**, the market saw a YoY decrease of 2% in box office revenues (BOR), resulting from a combined 5.5% decrease in the number of spectators and a 3.8% increase of the average selling ticket price. Such evolution was not linear between the first two quarters, as the type and number of releases was diverse. In the first quarter, the BOR fell 20% due to "Avatar", which was the most watched movie in the 1H'10 (representing a total of € 4.5 million, the equivalent to a quarter of the gross box office revenue in the Q1'11). As for the second quarter, BOR was up 25%, with some strong titles, one of them being "Rio", distributed by CLMC. In this period, the number of spectators grew 17.5%. The average ticket price was up 1.3% in Q1'11 and 6.7% in Q2'11, as some of the biggest 2Q'11 hits were 3D.

Using BOR as a reference, CLMC posted a 16.3% market share in movie distribution (14.7% in Q1'11 and 17.8% in Q2'11), comparing with 18.5% in 1H10. The negative variations stems essentially from the "Avatar" effect, as referred. In 2011, CLMC's main titles were "Rio", "Black Swan", "Love and Other Drugs", "X-Men: First Class" and "127 Hours". The movie "Rio" was responsible for the relevant YoY increase in cinema revenues in Q2'11.

In **Video**, the market maintained its decrease tendency, namely in what refers to unit prices. In this environment, CLMC's revenues fell 17% in 1H11 and 36% in Q2'11, despite the effort put into special sales, which grew substantially.

Still on CLMC, the sale of independent titles to pay-tv platforms and video-on-demand related revenues had a positive contribution to the overall YoY evolution.

**Operational costs** of the Entertainment segment fell 33% as a result of both the decrease in sales as well as the adaptation of the business unit's structure to the current market conditions.

Consolidated **EBITDA** for the Entertainment segment was € -0.2 million for the first half, vs € -1.4 million in the comparable period of last year. In 2Q'11, the YoY improvement is also noteworthy, with EBITDA coming from € -0.9 million to € -0.1 million.



## 5. Radio

€ thousand	1H 2011	1H 2010	Var %	Q2 2011	Q2 2010	Var %
<b>Operating revenue</b>	<b>7,504</b>	<b>6,375</b>	<b>18%</b>	<b>4,132</b>	<b>3,763</b>	<b>10%</b>
Advertising	6,687	5,915	13%	3,884	3,492	11%
Other revenues	817	460	78%	248	271	-8%
<b>Operating Expenses, ex D&amp;A</b>	<b>6,070</b>	<b>6,200</b>	<b>-2%</b>	<b>2,860</b>	<b>3,119</b>	<b>-8%</b>
<b>EBITDA</b>	<b>1,434</b>	<b>175</b>	<b>n.m.</b>	<b>1,272</b>	<b>643</b>	<b>98%</b>
EBITDA margin	19.1%	2.7%	16.4pp	30.8%	17.1%	13.7pp
Depreciation and amortisation	968	1,134	-15%	479	578	-17%
<b>Operating income (EBIT)</b>	<b>466</b>	<b>(959)</b>	<b>n.a.</b>	<b>793</b>	<b>65</b>	<b>n.m.</b>

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

The formats explore by MCR had an aggregate audience share of 26.3% in the first half, with Rádio Comercial reducing its difference towards the number one player to the lowest value in 10 years time.

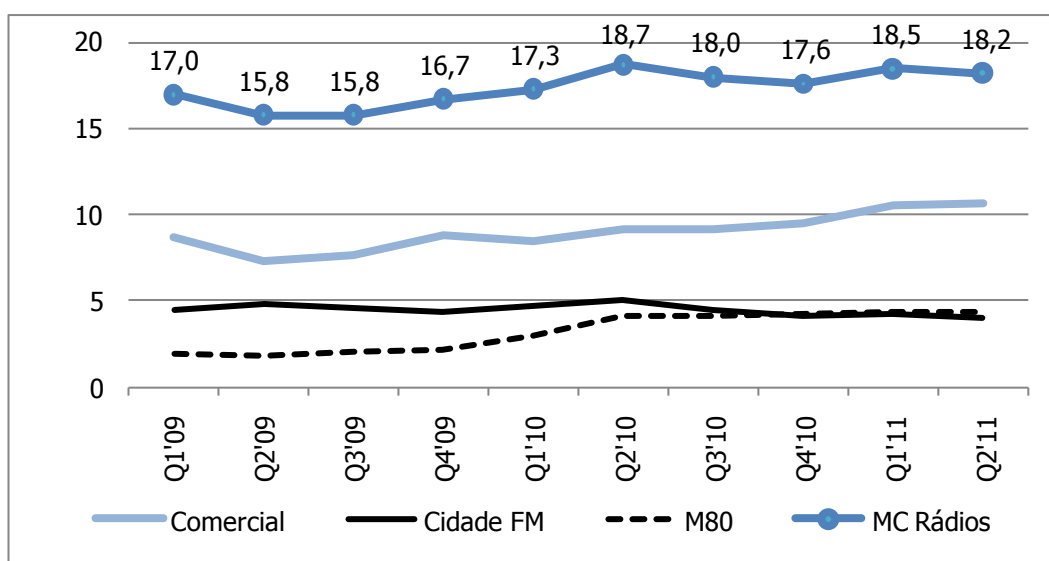
In terms of **audience reach (AAV)**, a more interesting metric as it reflects radio consumption, the data was equally encouraging, with MCR going from 18.0% in 1H'10 to 18.4% in 1H'11.

Radio consumption as a whole increased 1% on a YoY comparison. Rádio Comercial stands out

in this indicator, as after posting an AAV of 10.5% in Q1'11 (for the first time above 10%), it managed to actually improve in Q2'11 to 10.7%, thus increasing by 20% the number of listeners during the first six months of the year. Rádio Comercial is now the most listened to radio station in the Lisbon region. As for m80, it continued on a growth path by reaching an AAV of 4.3% in the first two quarters, its best performance ever, and comparing with 3.6% in the 1H'10.

Following its structure and portfolio reorganisation, MCR launched Vodafone Fm, shortly after in November it launched Star Fm. MCR will keep on betting in the development of new and innovative formats, which create and add value to shareholders.

### Audience Reach (%)



Source: Marktest. The quarterly evolution for the aggregate of MC Rádios is not fully comparable, given the changes in the radio formats that have been made.

MCR's **advertising revenues** increased 13% when comparing with 1H'10 (+11% in 2Q'11). Although there is no available information on

the market performance yet, MCR estimates to have once again improved its market share among advertisers.

Total **cost expenses** decreased 2% (-8% YoY in 2Q'11), as a result of a lighter structure that derives mostly from the type of radio formats adopted.

As a consequence, and following the efforts to optimize MCR's portfolio (in a profit vs cost perspective), **EBITDA** for this segment registered a significant YoY improvement, going from € 175 thousand to € 1.4 million in

1H'11. In the quarter, EBITDA almost doubled, reaching € 1.3 million and a 31% margin.

Regarding the radio's presence on the internet, the MCR online performance improved in the 1H11 by over 86% YoY in terms of page views, with the number of unique users above 2.4 million (monthly average). Cotonete, the leading site for online music, posted a monthly average of 5.3 million page views, together with almost a million unique users every month.

## 6. Other

€ thousand	1H 2011	1H 2010	Var %	Q2 2011	Q2 2010	Var %
<b>Operating revenue</b>	<b>8,568</b>	<b>7,712</b>	<b>11%</b>	<b>4,199</b>	<b>4,422</b>	<b>-5%</b>
Advertising	1,709	1,747	-2%	899	964	-7%
Other revenues	6,859	5,965	15%	3,300	3,459	-5%
<b>Operating Expenses, ex D&amp;A</b>	<b>8,762</b>	<b>8,257</b>	<b>6%</b>	<b>4,425</b>	<b>4,491</b>	<b>-1%</b>
<b>EBITDA</b>	<b>(194)</b>	<b>(545)</b>	<b>-64%</b>	<b>(226)</b>	<b>(69)</b>	<b>230%</b>
EBITDA margin	-2.3%	-7.1%	4.8pp	-5.4%	-1.6%	-3.8pp
Depreciation and amortisation	273	354	-23%	133	180	-26%
<b>Operating income (EBIT)</b>	<b>(467)</b>	<b>(899)</b>	<b>-48%</b>	<b>(359)</b>	<b>(248)</b>	<b>45%</b>

Internet operations, shared services, central holding costs and consolidation adjustments are included in this segment.

IOL and MCM's network of sites registered their best performance ever on a first half year, with a monthly average of 162 million page views, representing an increase of 9% on a YoY comparison. Average monthly unique users was 3.5 million. Key projects contributing to this performance were:

- **"TVI24"**: +91% in pageviews (PV);
- **"TVI"**: +36% in PV;
- **"Mais futebol"**: +12% in PV;
- **"Lux"**: +99% in PV;
- **"Agência Financeira"**: +27% in PV.

During the first six months of 2011, it is worth highlighting the two MySpace OK Teleseguros tours with Tiago Bettencourt. A new partnership was announced with Adidas - entitled MySpace Adidas Trends, whereby two concerts were made, one in Lisbon and the other in Oporto.

Regarding e-commerce, the website [www.euqueroumdestes.com](http://www.euqueroumdestes.com) held several promotional campaigns, reinforcing its awareness in the market. In the second

quarter a new concept and site was launched – Planeo, which is based on group acquisitions at large discount. This site differentiates itself from the competition due to the unique communication capabilities that derive from Media Capital's strong presence in TV, Radio and Internet.

New websites were created, aiming to support TVI's contents – as the entertainment shows "Uma Canção para Ti", "Perdidos na Tribo" and the soaps "Anjo Meu", "Remédio Santo" – and to explore relevant events, as the Oscars or Valentine's Day.

On this first half, several apps for iPad and other platforms/interfaces were launched, with all of them being an immediate success, with dozens of thousands of downloads short after their release, reaching many times a relevant position in the iTunes Appstore (in the case of TVI24 the 1st place in the national ranking and news apps ranking). Other apps launched were "Marcelo", "Bola na Barra" and "Estrada Nacional". Media Capital is thus motivated to maintain its investment to enlarge the presence of its brand portfolio on mobile platforms.

**Advertising revenues** dropped 2% YoY (-7% in Q2'11), although with very positive performances by the IOL portal, TVI and TVI24 sites.

Intra-group transactions justify the variation of both the **operating costs** and **other revenues**, when comparing to 1H'10.

**Adjusted EBITDA** for this segment was negative by € 0.2 million, which compares favourably with € -0.5 million in 1H'10. In Q1'11, EBITDA was € -0.2 million, vs € -0.1 million in Q2'10.



## 7. Consolidation Adjustments

€ thousand	1H 2011	1H 2010	Var %	Q2 2011	Q2 2010	Var %
<b>Operating revenue</b>	<b>(25,031)</b>	<b>(23,891)</b>	<b>5%</b>	<b>(12,366)</b>	<b>(12,478)</b>	<b>-1%</b>
Advertising	(646)	(506)	28%	(342)	(271)	26%
Other revenues	(24,384)	(23,385)	4%	(12,024)	(12,208)	-2%
<b>Operating Expenses, ex D&amp;A</b>	<b>(24,456)</b>	<b>(23,454)</b>	<b>4%</b>	<b>(11,779)</b>	<b>(12,209)</b>	<b>-4%</b>
<b>EBITDA</b>	<b>(575)</b>	<b>(438)</b>	<b>31%</b>	<b>(587)</b>	<b>(270)</b>	<b>118%</b>
EBITDA margin	2.3%	1.8%	0.5pp	4.7%	2.2%	2.6pp
Depreciation and amortisation	0	0	n.m.	0	0	n.m.
<b>Operating income (EBIT)</b>	<b>(575)</b>	<b>(438)</b>	<b>31%</b>	<b>(587)</b>	<b>(270)</b>	<b>118%</b>

Concerning consolidation adjustments, the values above reflect, to a large extent, the intra-group activity between TVI (Television) and Plural (Audiovisual Production).

The EBITDA figure results from the margin adjustments between, on one hand, TVI and, on the other hand, Plural and CLMC.



## 8. Cash Flow

€ thousand	1H 2011	1H 2010	Var %	Q2 2011	Q2 2010	Var %
Receipts	138,686	141,386	-2%	75,712	82,560	-8%
Payments	(136,866)	(144,680)	-5%	(70,315)	(70,196)	0%
<b>Cash flows op. activities (1)</b>	<b>1,820</b>	<b>-3,294</b>	<b>n.a.</b>	<b>5,397</b>	<b>12,364</b>	<b>-56%</b>
Receipts	1,573	33,397	-95%	401	26,877	-99%
Payments	(8,453)	(24,403)	-65%	(5,710)	(11,102)	-49%
<b>Cash flows inv. activities (2)</b>	<b>-6,881</b>	<b>8,993</b>	<b>n.a.</b>	<b>-5,309</b>	<b>15,775</b>	<b>n.a.</b>
Receipts	129,884	40,058	224%	81,417	24,443	233%
Payments	(135,129)	(59,978)	125%	(78,725)	(53,050)	48%
<b>Cash flows fin. activities (3)</b>	<b>-5,245</b>	<b>-19,919</b>	<b>-74%</b>	<b>2,692</b>	<b>-28,607</b>	<b>n.a.</b>
Variation of cash (4) = (1) + (2) + (3)	(10,306)	(14,220)	-28%	2,781	(467)	n.a.
Cash at the beginning of the period	23,579	20,556	15%	10,492	6,803	54%
<b>Cash at the end of the period</b>	<b>13,273</b>	<b>6,336</b>	<b>109%</b>	<b>13,273</b>	<b>6,336</b>	<b>109%</b>

**Cash flow from operating activities** reached € 1.8 million, which compares with € -3.3 million in 1H'10, with the improvement coming from most of the business units, with the exceptions of TV and Others (both due to lower advertising).

**Cash flow from investing activities** went from € -9.0 million to € -6.9 million. The cash outflow related with tangible and intangible assets was € -3.7 million, thus better than the € -4.5 million registered in the comparable period.

**Cash flow from financing activities** came in at € - 5.2 million, reflecting the performance of operational and investing activities, as well

as the dividends outflow, in a global amount of € 7.0 million.

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## 9. Financial Net Debt

Thousand of €	Jun-11	Dec-10	Abs Var	Var %
<b>Group financial debt</b>	<b>113,062</b>	<b>128,866</b>	<b>(15,804)</b>	<b>-12%</b>
Bank loans / Commercial paper	109,881	124,096	(14,216)	-11%
Other debt	3,182	4,770	(1,588)	-33%
<b>Cash &amp; equivalents</b>	<b>13,273</b>	<b>20,556</b>	<b>(7,284)</b>	<b>-35%</b>
<b>Net debt</b>	<b>99,790</b>	<b>108,310</b>	<b>(8,520)</b>	<b>-8%</b>

As a result of the movements described above, Media Capital's total **financial net debt** fell 8% or € 8.5 million vs. December 2010, staying at € 99.8 million at the end of June. It is worth mentioning that, as always, the financial debt figure includes the fair value of the derivatives, as well as leasing, in a global amount of € 3.2 million at the end of the

period under analysis. Financial net debt **adjusted for the loans to** Promotora de Informaciones, S.A. **reached € 83.1 million** at the end of June, which compares with € 73.1 million at the end of 2010, thus putting Media Capital in a comfortable capital structure.

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2011 AND 31 DECEMBER 2010

(Amounts stated in Euro thousand)

ASSETS	30.06.2011	31.12.2010
<b>NON-CURRENT ASSETS:</b>		
Goodwill	167,113	167,113
Intangible assets	19,725	20,320
Tangible assets	27,927	30,645
Investments in associates	63	66
Assets held for sale	8	8
Transmission rights and TV programs	54,284	54,593
Other non-current assets	1,471	1,448
Deferred income tax assets	5,644	5,543
	<u>276,235</u>	<u>279,737</u>
<b>CURRENT ASSETS:</b>		
Transmission rights and TV programs	10,866	12,168
Inventories	1,025	1,047
Trade and other account receivable	54,376	53,328
Current tax assets	1,557	758
Other current assets	44,104	36,197
Cash and cash equivalents	13,273	23,579
	<u>125,200</u>	<u>127,077</u>
<b>TOTAL ASSETS</b>	<u><u>401,435</u></u>	<u><u>406,814</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY:</b>		
Share capital	89,584	89,584
Reserves	29,299	23,124
Profit for the period	9,758	12,400
Equity attributable to controlling interests	<u>128,641</u>	<u>125,107</u>
Equity attributable to non-controlling interests	<u>3,317</u>	<u>4,023</u>
Total Equity	<u>131,958</u>	<u>129,130</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Borrowings	65,134	32,668
Provisions	8,032	7,868
Other non-current liabilities	4,500	13,555
Deferred income tax liabilities	1,612	1,612
Derivative financial instruments	982	2,083
	<u>80,260</u>	<u>57,786</u>
<b>CURRENT LIABILITIES:</b>		
Borrowings	46,946	78,978
Trade and other payables	67,991	73,179
Current tax liabilities	5,679	905
Other current liabilities	68,601	66,836
	<u>189,217</u>	<u>219,898</u>
Total liabilities	<u>269,477</u>	<u>277,684</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>401,435</u></u>	<u><u>406,814</u></u>

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

 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 30 JUNE 2011 AND 2010

(Amounts stated in Euro thousand)

	6 months ended		3 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
<b>OPERATING REVENUES:</b>				
Services rendered	99,175	104,132	55,815	56,739
Sales	3,610	5,848	1,702	3,200
Other operating revenue	15,222	10,474	6,941	5,299
Total operating revenue	<u>118,007</u>	<u>120,453</u>	<u>64,457</u>	<u>65,237</u>
<b>OPERATING EXPENSES:</b>				
Cost of programs broadcasted and goods sold	(14,729)	(13,400)	(6,844)	(6,022)
Subcontrats and third party supplies	(47,067)	(50,942)	(25,063)	(25,819)
Payroll expenses	(32,710)	(33,342)	(16,312)	(17,485)
Depreciation and amortization	(5,758)	(5,963)	(2,903)	(3,126)
Provisions and impairment losses	(429)	(419)	(210)	(175)
Other operating expenses	(721)	(1,706)	(505)	(1,177)
Total operating expenses	<u>(101,413)</u>	<u>(105,774)</u>	<u>(51,836)</u>	<u>(53,804)</u>
Net operating profit	<u>16,594</u>	<u>14,679</u>	<u>12,622</u>	<u>11,433</u>
<b>FINANCIAL EXPENSES:</b>				
Financial expense	(2,955)	(3,622)	(1,569)	(1,760)
Financial income	902	765	292	447
Finance costs, net	(2,053)	(2,857)	(1,278)	(1,313)
Losses on associated companies, net	(3)	(46)	-	(25)
Profit before tax	<u>14,538</u>	<u>11,775</u>	<u>11,344</u>	<u>10,096</u>
Income tax expense	(4,307)	(2,738)	(3,298)	(1,958)
Consolidated net profit for continued operations	<u>10,231</u>	<u>9,037</u>	<u>8,046</u>	<u>8,138</u>
Attributable to:				
Equity holders of the parent	9,758	8,286	7,835	7,634
Non-controlling interests	472	751	211	504
	<u>10,231</u>	<u>9,037</u>	<u>8,046</u>	<u>8,138</u>
<b>Earnings per share (€)</b>				
Basic	0.1155	0.0980	0.0927	0.0903
Diluted	<u>0.1155</u>	<u>0.0980</u>	<u>0.0927</u>	<u>0.0903</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011 AND 2010
(Amounts stated in Euro thousand)

	<u>30.06.2011</u>	<u>30.06.2010</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	138,686	141,386
Cash paid to suppliers	(77,267)	(90,236)
Cash paid to employees	(34,583)	(33,236)
Cash generated from operations	<u>26,836</u>	<u>17,914</u>
Other cash received/(paid) relating to operating activities	(25,016)	(21,208)
Net cash from operating activities (1)	<u>1,820</u>	<u>(3,294)</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
Disposal of tangible assets	202	75
Disposal of intangible assets	220	200
Investment subsidies	24	-
Interest and similar income	55	1,243
Loans granted	1,072	31,611
	<u>1,573</u>	<u>33,130</u>
Payments resulting from:		
Business concentrations	(250)	(9,834)
Acquisition of tangible assets	(3,362)	(4,208)
Acquisition of intangible assets	(323)	(287)
Loans granted	(4,519)	(10,075)
	<u>(8,453)</u>	<u>(24,403)</u>
Net cash from /(used in) investing activities (2)	<u>(6,881)</u>	<u>8,726</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	129,884	40,058
Cash paid relating to:		
Borrowings	(124,137)	(40,203)
Leases	(1,143)	(429)
Interest and other similar expenses	(1,890)	(1,063)
Dividends	(6,988)	(17,062)
Other financial expenses	(971)	(954)
	<u>(135,129)</u>	<u>(59,711)</u>
Net cash from/(used in) financing activities (3)	<u>(5,245)</u>	<u>(19,653)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(10,306)	(14,220)
Cash and equivalents at the beginning of the period	23,579	20,556
Cash and equivalents at the end of the period	13,273	6,336