



Full-Year Results 2010

Grupo Média Capital, SGPS, S.A.



TVI retains audience leadership for 6th year in succession



“Meu Amor” soap wins International *Emmy* Award



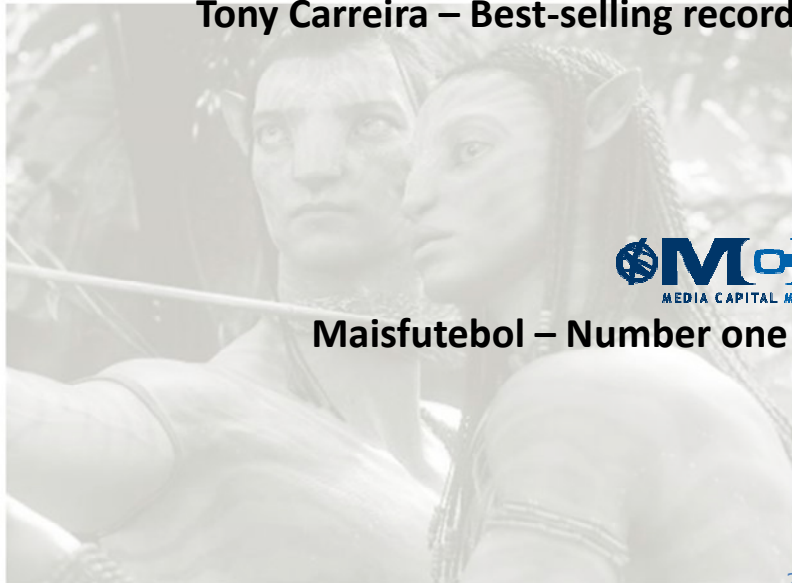
Radio stations with the best audience data ever



Avatar – Most watched film of the year



Tony Carreira – Best-selling record of the year and triple platinum



Maisfutebol – Number one online sports newspaper



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FULL-YEAR RESULTS 2010

Grupo Media Capital presents Operating Revenues of € 249 million and Adjusted EBITDA of € 52.3 million.

- In 2010, Grupo Media Capital posted **Adjusted EBITDA** of € 52.3 million (4% higher than 2009).
- The Group had total **advertising revenues** of € 149.6 million, slightly improving on 2009. Estimates suggest that the advertising market, regarding agencies, shrank 2.5% in 2010.
- **TVI** continued to lead television audiences every month by a considerable margin, with average FTA shares of 34.2% for full-day and 39.2% for prime-time. The EBITDA margin for the TV segment improved from 27.9% to 28.5%.
- **TVI Internacional** premiered at the end of May. This new channel constitutes an additional step in the strategy to broaden TVI's geographical presence and exploit revenues other than advertising.
- The **Audiovisual Production** segment posted a 15% decrease in its operating revenues, which was not offset by the reduction in operating costs. The activity reached an EBITDA margin of 9% (13.5% in the 4th Quarter).
- In **Entertainment**, EBITDA adjusted for non-recurring items reached € -1.3 million, versus € -7.0 million in the previous year.
- In **Radio**, the advertising revenues rose 3%, as 2010 was the Group's best year ever in terms of radio audiences. The like-for-like EBITDA margin was 10% (21% in the quarter).
- In **Internet**, the IOL portal and the MCM site network received the best traffic ever during the fourth quarter of 2010, with TVI confirming its leadership position among the TV sites in Portugal.
- The operating income was hit by € -12.9 million of non-recurring items from (i) the reorganisation of the CLMC video activity; (ii) discontinuation of the RCP radio format; and (iii) goodwill impairments.

Queluz de Baixo, 21st February 2011

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1. Consolidated Income Statement

€ thousand	2010	2009	% Var	Q4 2010	Q4 2009	% Var
Total operating revenue	249,008	267,868	-7%	76,187	73,865	3%
Television	158,574	156,590	1%	47,884	45,556	5%
Audiovisual Production	91,714	107,916	-15%	27,947	28,147	-1%
Entertainment	17,489	28,140	-38%	4,449	6,415	-31%
Radio	13,874	13,469	3%	4,242	3,663	16%
Others	15,316	19,066	-20%	3,306	4,445	-26%
Cons. Adjustments	(47,960)	(57,312)	-16%	(11,641)	(14,360)	-19%
Total operating expenses ex-D&A	209,527	217,743	-4%	63,768	54,970	16%
EBITDA	39,480	50,125	-21%	12,419	18,895	-34%
EBITDA Margin	15.9%	18.7%	-2.9pp	16.3%	25.6%	-9.3pp
Television	45,195	43,743	3%	18,182	19,066	-5%
Audiovisual Production	8,444	12,254	-31%	3,768	3,415	10%
Entertainment	(8,024)	(7,013)	14%	(5,349)	(4,556)	17%
Radio	(2,472)	288	n.a.	(2,159)	443	n.a.
Others	(2,784)	1,643	n.a.	(1,949)	279	n.a.
Cons. Adjustments	(879)	(790)	11%	(74)	248	n.a.
CLMM Video Costs (Net)	6,682	0	n.a.	5,366	0	n.a.
Operating Expenses with RCP shutdown (Radio)	815	0	n.a.	55	0	n.a.
Goodwill impairment	5,367	0	n.a.	5,367	0	n.a.
Non-recurrent items in 2010	12,864	0	n.a.	10,787	0	n.a.
Adjusted EBITDA	52,344	50,125	4%	23,206	18,895	23%
Adjusted EBITDA Margin	21.0%	18.7%	2.3pp	30.5%	25.6%	4.9pp
Depreciation and amortisation	12,174	12,527	-3%	3,120	3,230	-3%
Operating income (EBIT)	27,306	37,598	-27%	9,299	15,666	-41%
Financial results	(5,109)	(9,328)	-45%	(1,231)	(4,510)	-73%
Profit / (Loss) before inc. tax/ no contrl. Int	22,197	28,270	-21%	8,067	11,155	-28%
Income tax	(8,624)	(9,568)	-10%	(5,122)	(3,676)	39%
Profit / (Loss) from continued operations	13,573	18,702	-27%	2,946	7,479	-61%
Profit / (Loss) from disc. operations	0	0	n.a.	0	0	n.a.
No Controlling interests	(1,173)	(1,090)	8%	(235)	(302)	-22%
Net profit / (loss) for the period	12,400	17,612	-30%	2,710	7,178	-62%

Grupo Media Capital's consolidated financial statements include accounting adjustments for non-recurring items that have affected the Group's performance. Key among them are the following:

- Costs (net of revenues) relating to the CLMC Video business, for the total of € 6.7 million;
- The cost of discontinuing the RCP radio format (€ 0.8 million); and
- A total of € 5.4 million for goodwill impairment (€ 3 million in the radio segment and € 2.4 million in the 'Other' sector, but relating to the stake in CLMC).

In 2010, Grupo Media Capital posted total consolidated operating revenues of € 249 million, which is a reduction of 7% versus 2009.

The Group's **consolidated EBITDA**, adjusted for the effects outlined above, improved 4% to € 52.3 million, with a margin of 21%. The 2009 numbers include the impact of the capital gain from the sale of 35% of Transjornal in 2009.

Regarding the quarter, adjusted EBITDA improved 23% to € 23.2 million.

Operating results (EBIT), which include the impacts outlined above, fell 27% to € 27.3 million, while **net income** reached € 12.4 million (€ 17.6 million in 2009), with an improvement in financial results and a reduction in corporation tax, and the non-

controlling interests item increasing € 0.1 million.



€ thousand	2010	2009	% Var	Q4 2010	Q4 2009	% Var
Operating revenue	249,008	267,868	-7%	76,187	73,865	3%
Advertising	149,617	149,324	0%	44,464	44,294	0%
Other revenues	99,391	118,544	-16%	31,723	29,571	7%

In total consolidated revenue performance, **advertising revenues** were stable, driven by Television, while in Radio performance was positive (2%) and in Other it rose 3%. For the quarter, the YoY variation was similarly level, with 0% change in television, +9% in Radio and -2% in Other.

As far as the **advertising market** is concerned, the available information exclusively for agencies (therefore excluding direct clients), and excluding rappel (volume rebates), points towards a 2.5% downturn for 2010, with Internet rising 24%, Radio staying level and the others falling, driven by Press (-9%, of which -15% in daily and -6% in non-daily). The YoY variation for the fourth quarter stayed at around -6%, with positive performances from Internet, Radio and Cinema.

The **other revenues** posted a negative performance of 16%, driven by Audiovisual Production and Other, despite the positive contribution from Television and Radio.

Regarding **operating costs**, and despite the impact from both TVI24 and TVI Internacional (which started broadcasting in February 2009 and at the end of May 2010 respectively), there was a 4% fall in 2010, despite the impact of the non-recurring items, as a result not only of the lower activity in the Audiovisual Production and Entertainment sectors, but also the efficiency gains that have been achieved in various business sectors and centrally.

In 2010, **financial results** improved from € -9.3 million to € -5.1 million, with a fall in interest borne and the smaller impact of the interest rate swap underwritten by the Group. Even so, this last item took € 1.1 million from the financial results during the year.

Net profit reached € 12.4 million, versus € 17.6 million in 2009. The effective tax rate reached 39% in 2010 due to the recognition of the goodwill impairment, without which the percentage would have fallen to 31%.

2. Television

€ thousand	2010	2009	Var %	Q4 2010	Q4 2009	Var %
Operating revenue	158,574	156,590	1%	47,884	45,556	5%
Advertising	134,913	135,219	0%	40,411	40,558	0%
Other revenues	23,661	21,370	11%	7,473	4,997	50%
Operating Expenses, ex D&A	113,379	112,847	0%	29,702	26,489	12%
EBITDA	45,195	43,743	3%	18,182	19,066	-5%
EBITDA margin	28.5%	27.9%	0.6pp	38.0%	41.9%	-3.9pp
Depreciation and amortisation	6,076	5,764	5%	1,542	1,443	7%
Operating income (EBIT)	39,119	37,979	3%	16,640	17,624	-6%

The Television segment includes both the activities of TVI and the activity of Publipartner, 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.

Following the agreement signed between TVI and ZON TV Cabo, the leading cable platform in Portugal, on February 26 2009, TVI launched its first cable channel TVI24, a round-the-clock

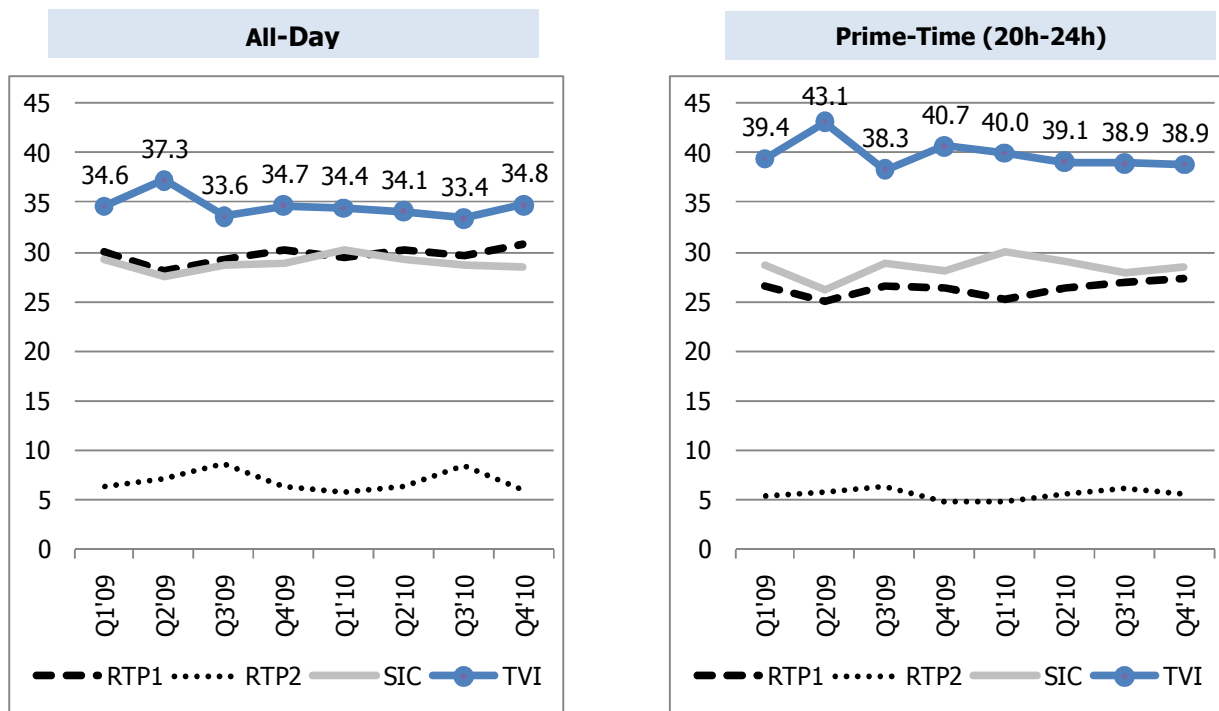
news channel. TVI Internacional premiered on May 30 2010.

TVI Internacional is a generalist channel, created with the aim of getting closer Portugal with the several Portuguese speaking communities spread throughout the World, making available the leading contents in Portugal and showing the very best done in our country, while taking into account the

specificities of each market and country where TVI Internacional will be present.

By genres, its contents are composed mainly of national fiction, big events, news and entertainment. This channel constitutes an additional step in the Group's strategy of exploiting revenues other than advertising, by means of leveraging on existing capabilities and on the vast array of own reference contents.

Quarterly Audience Share (FTA Channels, %)



Source: Marktest

TVI was the most watched TV channel in 2010, recording a 34.2% audience share. This was **the sixth year in a row of the channel's leadership in full-day audiences**. The second position among the generalist channels achieved a share of 30.1%, and the third position achieved 29.1% for the same metric.

Continuing the results obtained since 2001, TVI was also the station of choice for Portuguese viewers in prime time, running from 8pm to 12am, recording a share of 39.2% in total individuals, which was 10.4 percentage points above that of the next player, which had a 28.8% share. The third position in prime-time achieved a 26.5% market share.

In the overall consumption distribution for FTA and codified channels (covering the entire TV market in Portugal), TVI maintains a clear advantage, with a share of 27.5% for full-day

and 32.4% for prime-time. The themed channels distributed exclusively by cable or similar platforms achieved a share of 19.7% in 2010 for full-day and 17.3% for prime-time.

In 2010, TVI was watched every day by over 5.8 m individuals (average daily coverage from a population of 9.5 m) and in prime-time, TVI programming attracted a daily average of 4.3 m individuals.

Observing **television consumption** over the full year, the medium kept up its strong penetration with some positive variation versus the previous year. Average daily coverage from television was 7.4 m, representing 79% of the population. The complementary metric, average viewing time for individuals using television, almost reached four and a half hours for an average day (in prime time this value is two hours, eight minutes).

Analysing the **key genres** on TVI's broadcast schedule, drama (national and international) makes up the majority, taking 38.9% of TV time, which in large part derives from original content developed in Portugal. In second place is Entertainment, taking up 22.8%, followed by news programmes with 20.1%. Sports events took up 1.7% of programming broadcast time. Generally, TVI ensures that over 75% of its daily schedule is broadcast in Portuguese.

Continuing its investment in **Portuguese drama**, the channel broadcast various soaps and series produced by Plural, a Grupo Media Capital company. Collectively the programmes achieved leading audience shares in their respective timeslots.

TVI's Portuguese drama output achieved an average audience share of 950,000 daily individuals and a total average audience of 1.9 million during 2010. The reference share for this category was 42.5% in total individuals and 44.8% among housewives.

This large investment by TVI in producing and broadcasting Portuguese drama was recognised internationally this year with the **award of the International Emmy** to **"Meu Amor"**, in the category of "Best Telenovela".

"Meu Amor", by António Barreira and produced by Plural, began broadcasting in October 2009 and over one year exactly attracted an audience share of 46.7% and an average audience of 1.2 million viewers. In the Female target, this novel also recorded a leading share, with 50.0% of the available consumers in its timeslot (49.4% of housewives).

In March 2010, **"Deixa que Te Leve"** ended (which opened in 2009), which achieved an average audience share of 45.9% and 1,300,000 viewers during its broadcast. Replacing it was **"Mar de Paixão"**, still on air, which recorded over 1,000,000 daily viewers and a 44.8% audience share in 2010.

In June, the soap **"Sentimentos"** came to an end, which regularly led its timeslot with an audience share of 42.1% among total individuals (814,000 viewers per episode on average) and a share of 46.6% in the Female target.

At that time, TVI unveiled **"Espírito Indomável"** (still on air), which now leads the start of prime time, with a share of 43.7%, 1.2 million faithful daily viewers (47% of Female)

and an audience profile that strongly spans across various social demographics.

For the eighth year in success, and throughout 2010, TVI regularly broadcast the youth series **"Morangos com Açúcar"** to end weekday afternoons during 2009. In its target audience, 4- to 24-year-olds, the set of three series broadcast in 2010 (Series VII – Vive o teu Talento, Verão and Series VIII – Agarra o teu Futuro) achieved a 58.4% audience share, corresponding to approximately 330,000 individuals per day. It is now the longest-broadcast drama concept in Portuguese television.

Still on **local drama**, in 2010 TVI started an innovative concept within this genre: mini-series showed in three parts. At the end of January it premiered **"Destino Imortal"**, a story where youngsters have a leading role, in a vampire's world. It posted an average daily viewership above one million individuals and a market share of 38.7% thus leading on Sunday's afternoons. In the 4/24 age group, "Destino Imortal" recorded a 65,2% audience share. At the end of February, the urban thriller **"37"** was first broadcasted, with the 3 episodes averaging a leading share of 41.5%, backed by an audience of 760 thousand viewers. In April, TVI premiered **"Dias Felizes"** which posted an average daily share of 40% (800 thousand average viewers).

In **Information**, TVI kept three daily slots for news programming in 2010. From seven till ten in the morning, "Diário da Manhã" sets the news agenda for the day. "Jornal da Uma" goes out at 1pm, obtaining a 27.7% audience share over the whole week in 2010 (29.2% on weekdays). At 8pm, "Jornal Nacional" retained a key position in 2010, recording a regular average audience of 890,000 viewers and a 30.2% average share among total individuals from Monday to Friday. A key feature of this area is the return of Professor Marcelo Rebelo de Sousa, who brought a regular average contact of over 1,000,000 viewers in the 32 appearances he made since 31 May, with a leading audience share of 37.5%.

During 2010, TVI strengthened its offering in the field of investigative journalism, entitled "Repórter TVI". In total, 43 of these programmes were aired during the year, attracting an average audience of 1.1 million viewers and 36.3% share.

In **sport**, the station was strongly active in broadcasting Taça de Portugal Millennium (the

Millennium Portuguese Cup) games, the Portugal national team games and the Zon-Sagres League games.

TVI aired six Millennium Portuguese Cup matches in the first half of the year, which achieved an average audience of about 900,000 individuals.

From August, TVI regained exclusive FTA rights for the Zon-Sagres Portuguese Football League. 14 games were broadcast in total, with an audience share of 44.9% and 1.2 million viewers on average. Among the Male target, the average audience share was 53.9%.

In **entertainment**, the daily talk show "**Você na TV**" obtained an average audience share of 32.9% for the its broadcasts (leading its time slot), recording a 34.9% share among its reference target, Female individuals. Another daily show, "**As Tardes da Júlia**" went out during the afternoon, bringing 300,000 individuals together each day, representing a 34.2% audience share (36.8% among Female). Also during the afternoon, from September, the channel launched a new competition called "**Agora é que Conta**", presented by Fátima Lopes, who accepted the invitation to come to TVI and take on new professional challenges. Together the 68 shows in 2010 achieved a 32.2% share of the Female target (this programme replaced "**Quem Quer Ganha**" which averaged 24.5% in the first nine months of the year.

2010 was marked by the return of the large reality show formats, with the launch of "**Secret Story – A Casa dos Segredos**", broadcast in the last quarter of the year, winning 39.7% of the average share (49.8% for the "extras" issued at the end of the evening. The weekly Nominations day (Tuesdays), the weekend round-up and the Sunday Gala also brought leading shares of 40.9%, 47.5% and 40.9% respectively. The Final, which took place on New Year's Eve, achieved a 66% audience share (1.7 million individuals).

TVI partnered with MEO to launch an interactive channel, TVI Direct, broadcasting the events of the house live over 24 hours, achieving excellent audiences.

Over 14 broadcasts on Friday nights, the programme "**Depois da Vida**" achieved average audience shares of 51.3% per broadcast and 687,000 viewers (54.9% among Female).

Among the specials, the "Nicolau Breyner 50" Gala stands out with its average audience of 932,000 viewers, managing a leading share of 47.2% in total individuals. During the summer, TVI promoted some events directed at particular target segments, among them the stage show "Morangomania" (30.8% share), "Festa de Verão da TVI" on 31 July (50.9% share and 572,000 individuals), "Festa da Praia" on 7 August, (46.6% share and 721,000 viewers), "Gala Somos Portugal" and the "Morangos com Açúcar – Vive o teu Talento" Concert.

As for **foreign drama**, TVI premiered on February the sixth season of "**Dr. House**", which has registered an average share of 29.5%. In April TVI started broadcasting the series "**Glee**", which for the 22 episodes aired had an average share of 30.3% (47.5% in the 4/24 age group).

TVI also maintained its significant position in cinema. For its total of around 450 films aired, the weekend afternoon cinema programme won an average of around 490,000 viewers and an average share of 30.7%.

Launched on 26 February 2009, and initially distributed exclusively on ZON TV Cabo (cable TV), **TVI24** broadened its potential viewership base from 1 September 2010 through inclusion in the basic package offered by MEO. Also in 2010, TVI24 was included in the Vodafone Casa package (from 29 September) and the Cabovisão package (from 1 December). Thus from the end of the year, TVI24 became available in most Portuguese households with pay-TV.

TVI24 is also available in Africa (Angola and Mozambique) from 29 March through the ZAP operator, thereafter broadening to other platforms.

Around two years after the launch of this project, TVI24 has recorded a viewership over 800,000 viewers and a share of 14% for the full day, from the universe of news channels produced in Portugal. TVI24's audience share rose to 16% during prime-time (8pm to midnight). Among cable channels, TVI24 achieved an average audience share of 0.9%.

FINANCIAL PERFORMANCE

In terms of **financial performance**, the Television segment's total operating revenues rose 1%, growing 5% YoY for the quarter.

Advertising revenues were identical to the previous year, as they were for the Q4 YoY analysis. Media Capital estimates that the FTA advertising market will have improved around 4% versus 2009 for the full year (around -2% for the 4th quarter). Among the sector results, aside from the market effect, two other elements are noteworthy: On the one hand, the absence of revenues from the elections (unlike 2009) and on the other, the lack of FIFA World Cup 2010 broadcasts by TVI.

Other revenues in the Television segment rose 11% versus 2009 (+50% YoY for the quarter), representing 15% of total operating revenues. In 2009, extraordinary revenues were recorded due to the provision of technical services, and in 2010, the Publipartner activity fell versus 2009. Even so, these changes were more than offset by the revenues arising from the added-value calls and transmission rights. Regarding the Q4 YoY comparison, the change was also driven by the strong performance of these last two items.

Operating costs remained at a similar level year-on-year. This performance was driven by the continued efficiency drive across all areas,

as the costs relating to TVI24 were above those of 2009, as this channel only began broadcasting at the end of February 2009. In the case of TVI Internacional, and as mentioned above, its contribution to revenues and costs took place only in 2010, from May.

Among the various items, the key cost control item was programming, specifically Portuguese drama and entertainment, falling 1% on a proforma basis (excluding TVI24 and TVI Internacional), despite additional costs arising from acquiring the rights of the Superliga. Finally, operating costs included € 0.9 million of exchange rate losses from the strong appreciation of the dollar.

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 has helped the year's **EBITDA** for the segment, which grew 3%, with its margin improving 0.6pp from 27.9% to 28.5%. In quarterly terms, EBITDA fell 5%, with the margin falling 3.9pp from 41.9% to 38.0%.



3. Audiovisual Production

€ thousand	2010	2009	Var %	Q4 2010	Q4 2009	Var %
Operating revenue	91,714	107,916	-15%	27,947	28,147	-1%
Advertising	0	0	n.a.	0	0	n.a.
Other revenues	91,714	107,916	-15%	27,947	28,147	-1%
Operating Expenses, ex D&A	83,270	95,662	-13%	24,179	24,732	-2%
EBITDA	8,444	12,254	-31%	3,768	3,415	10%
EBITDA margin	9.2%	11.4%	-2.1pp	13.5%	12.1%	1.3pp
Depreciation and amortisation	2,983	3,114	-4%	827	852	-3%
Operating income (EBIT)	5,461	9,140	-40%	2,941	2,563	15%

The audiovisual production sector achieved total operating revenues of € 91.7 million.

Regarding **operating revenues**, the activity in Spain showed a reduction, chiefly in terms of production for generalist TV operators, with the exception of Telecinco. This situation was not offset by the greater activity regarding (i) management of autonomic channels; (ii) international sales; and (iii) cinema rights sales.

As for the operations in Portugal, operating revenues also fell, due in large part to lower TV production revenues.

As a consequence of the overall downturn in activity, and despite the cost reduction, **EBITDA** ended up negatively affected, dropping to € 8.4 million (margin of 9% vs. 11% in 2009).

In Q4, the operating revenues stayed slightly below that of the previous year, with the

activity in Spain (greater production and revenues from cinema) almost offsetting the fall seen in Portugal. Overall, the fourth quarter

2010 margin improved versus the fourth quarter 2009, (13.5% vs 12.1%), with EBITDA rising 10%.

4. Entertainment



€ thousand	2010	2009	Var %	Q4 2010	Q4 2009	Var %
Operating revenue	17,489	28,140	-38%	4,449	6,415	-31%
Music & Events	7,579	11,089	-32%	2,202	2,233	-1%
Cinema & Video	9,910	17,051	-42%	2,247	4,183	-46%
Operating Expenses, ex D&A	25,513	35,153	-27%	9,798	10,971	-11%
EBITDA	(8,024)	(7,013)	14%	(5,349)	(4,556)	17%
EBITDA margin	-45.9%	-24.9%	-21.0pp	-120.2%	-71.0%	-49.2pp
CLMM Video Costs (Net)	6,682	0	n.m.	5,366	0	n.m.
Adjusted EBITDA	(1,342)	(7,013)	-81%	16	(4,556)	n.a.
Adjusted EBITDA Margin	-7.7%	-24.9%	17.3pp	0.4%	-71.0%	71.4pp
Depreciation and amortisation	157	190	-17%	41	48	-15%
Operating income (EBIT)	(8,181)	(7,203)	14%	(5,390)	(4,604)	17%

The Entertainment 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.

While the market was unfavourable, CLMC held an internal reorganisation, to rationalise the video business and ready itself for future challenges. The future involves searching for reductions in operating costs, optimising revenues and the ongoing search for added value for the business.

As a result of the reorganisation held within CLMC's video business in 2010 (especially in the last quarter), Grupo Media Capital chose to include an item showing the impact of the contribution of operating costs (net of operating revenues) for that business, to give clearer visibility to the operating performance of the rest of the activity in the segment. The figures for this activity include the impact of the reorganisation costs, especially in the last quarter.

Total **operating revenues** for the segment were down 38% in 2010 (31% in Q4), with the Music & Events activity falling 32% (-1% in Q4), while revenues in Cinema & Vídeo posted a fall of 42% (-46% in Q4).

In the **Music & Events** business, the continued structural decline of the physical market (14% in value is estimated) was matched by a fall in CD sales of 8% (+22% for Q4), thus resulting in a share gain. Among the best-selling units through the Farol channel were titles such as "O Mesmo de Sempre – Tony Carreira" (Triple Platinum), "Escola de Talentos - Morangos com Açúcar" (in various versions), "O melhor de Beto" and "Luar" (Rita Guerra). Among other revenue from this business unit, there was also a general fall in representation and events/concerts, a market impacted by budget cuts from a considerable number of local councils.

In **Cinema** in 2010, the market saw growth of around 5.4% in spectator numbers, and 11.3% in ticket revenues. This was due to an increase in the average ticket price, largely driven by the increasingly frequent premiers of 3D films, whose ticket price is higher than normal.

In cinema, CLMC reached 13% market share in value terms (16% in 2009). This fall in share stemmed essentially from the lower number of films premiering and weaker releases than the previous year, both among the 20th Century Fox catalogue and among the Independents. However, the releases screened performed

well, especially those from 20th Century Fox, led by the super-production "Avatar" which had an important effect in 2010 despite launching in 2009, and was the most seen film in Portuguese cinemas in 2010. Other key releases include "Unstoppable", "Knight and Day", "Wall Street 2" and "The Chronicles of Narnia", from 20th Century Fox and distributed by CLMC. Among the independent films launched this year by CLMC, are "Dear John", "The Concert" and "The Kids are All Right", winner of the Golden Globe for Best Actress, Annette Bening. In Q4, CLMC's key cinema releases were "Unstoppable", "The Chronicles of Narnia", and "Vampires Suck".

In **Video**, for the third year in a row the sell-out market saw a fall in revenues, falling 20% in value in 2010 (-10% in 2009), accompanied by a fall in units of 18%, and the market's average unit price decreasing by 3%. This falling trend is the clear result of the disruptive nature of the technological evolution, which is opening up new distribution channels and access routes that increasingly bring

audiovisual content closer to the mood of the consumer (*video on demand*), as well as increasing *downloads* and sales of illegal copies in this area.

CLMC cemented its place as the number two player in the video distribution market, after 20th Century Fox reacquired its place as the main studio in the Portuguese market (with a market share of 14.1% in value), also showing growth in absolute value, despite the extremely challenging market context. On the other hand the Independent content held its market share in value terms.

Operating costs for the segment fell 27% (-11% for the quarter). This fall would have been greater, if the non-recurring items in the video business had not been accounted for.

Entertainment thus achieved **Adjusted EBITDA** of € -1.3 million, versus € -7.0 million in the previous year.



5. Radio

€ thousand	2010	2009	Var %	Q4 2010	Q4 2009	Var %
Operating revenue	13,874	13,469	3%	4,242	3,663	16%
Advertising	12,747	12,458	2%	3,775	3,472	9%
Other revenues	1,127	1,010	12%	467	190	145%
Operating Expenses, ex D&A	16,347	13,181	24%	6,402	3,219	99%
EBITDA	(2,472)	288	n.a.	(2,159)	443	n.a.
EBITDA margin	-17.8%	2.1%	-20.0pp	-50.9%	12.1%	-63.0pp
Operating Expenses with RCP shutdown	815	0	n.a.	55	0	n.a.
Goodwill imparity	3,000	0	n.a.	3,000	0	n.a.
Adjusted EBITDA	1,343	288	366%	896	443	102%
Adjusted EBITDA Margin	9.7%	2.1%	7.5pp	21.1%	12.1%	9.0pp
Depreciation and amortisation	2,281	2,345	-3%	559	592	-6%
Operating income (EBIT)	(4,753)	(2,057)	131%	(2,718)	(148)	n.m.

The audience figures released in the final quarter continued to show the outstanding performance observed in the previous periods.

Thus the audience share of Grupo Media Capital's radio stations was **26.6% in the final quarter**, which resulted in a quarterly average of 26.8% in 2010 (the highest ever), making the quarterly value the sixth positive like-for-like performance in succession. The strong showing in 2010 was due to the key

commercial formats: "Comercial", "m80" and "Cidade FM", which improved average share by 0.8pp, 3.8pp and 0.1pp respectively. After the first and second quarters of the year were the best for Rádio Comercial since 2006, the last quarter of this year was the best last quarter since 2000, helping to reduce the gap to the market leader significantly in 2010 (-2.9pp), the lowest value since 2001. Regarding m80, this format continued its impressive *performance*, posting a share of 7.4% in Q4'10, versus 3.4%

like-for-like, resulting in 6.8% for the full year, benefiting not only from the rearrangement of RCP's broadcasting network in favour of M80, but also from the growing acceptance of its target audience.

In terms of audience reach (AAV), a more interesting metric, as it reflects radio consumption, the data was also quite encouraging, with MCR jumping from 16.7% in Q4'09 to 17.6% in Q4'10, with a quarterly average for the year of 17.9%, a figure that stands out as the best ever, versus 16.4% in 2009 and 17.1% in 2000. In this regard, by the average quarterly values, radio consumption (market) declined year-on-year, although slightly (-2%). Concerning Rádio Comercial, it is important to highlight that it reinforced its ranking as the second radio format nationwide, managing an AAV of 9.5% in the final quarter, which has never been done before. In turn, m80 continued its positive trend, reaching an AAV of 4.2% in Q4'10, versus 2.1% in Q4'09, leading to a year-average of 3.9%.

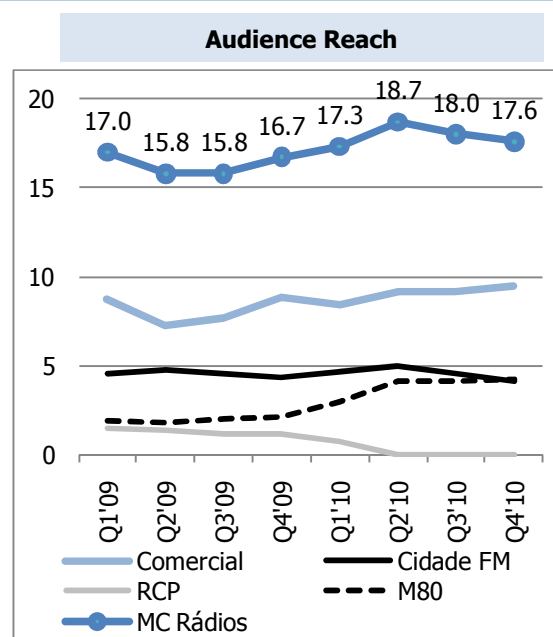
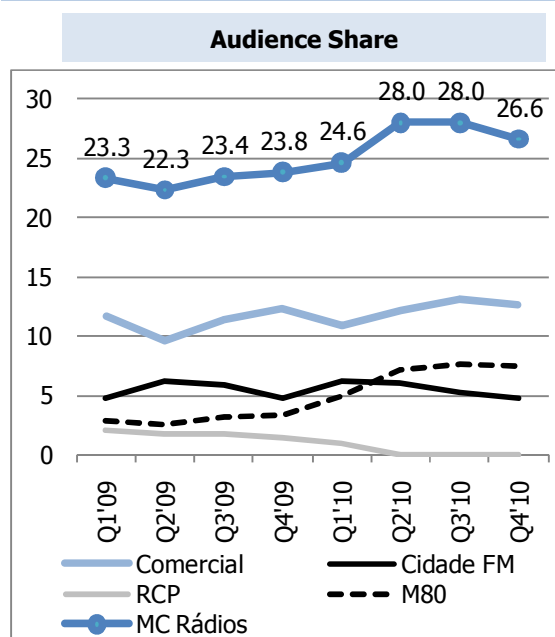
At the beginning of July, the Group decided to end the broadcasting of the RCP format, due to its poor economic fundamentals, justified by very low revenues (low audiences) when compared with the heavy operating cost structure. The costs relating to the closure of RCP came to € 815 k.

We highlight that this is an isolated decision, in the sense that MCR will keep on betting in the development of the other formats within its portfolio, which have registered a favourable evolution, audiences and operational wise.

As part of this policy, from July 12, RCP went out as a new format, with a strong component of music from the '50s, '60s and '70s. This format has been named "Star FM" from the end of November 2010, showing broad appeal both among advertisers and listeners.

Towards the end of the year, the Group was taking the final preparations to launch Vodafone FM, making use of the previous old Romântica FM broadcast network.

Audience Share and Reach (%)



Source: Marktest

MCR's **advertising revenues** rose 3% versus 2009, with a like-for-like performance of +16% in Q4'10. According to the research data, in 2010 the radio market in terms of media buyers and agencies will have stayed stable (6% increase in the last quarter), with MCR recording a very considerable market share increase regarding these advertisers.

Operating costs for this segment fell 5% in 2010 as a result of the rationalisation drive launched several quarters ago, when non-recurring items are excluded (4% increase in Q4).

Given the above, **Adjusted EBITDA** for the segment improved from € 0.3 million in 2009 to € 1.3 million in 2010, with the margin reaching 9.7%.

Regarding the radio stations' presence on the internet, the MCR brand performance improved in 2010 by over 125% in terms of page views versus 2009, with the number of unique users staying above 2.5 million (26,030,180 and 2,515,451 respective month

averages). Cotonete, the leading site for online music with over 300 themed radios and over 40,000 personal radios, grew its number of page views, recording a monthly average of 6,255,232, with 1.3 million unique users a month.

6. Other

€ thousand	2010	2009	Var %	Q4 2010	Q4 2009	Var %
Operating revenue	15,316	19,066	-20%	3,306	4,445	-26%
Advertising	3,301	3,206	3%	821	838	-2%
Other revenues	12,015	15,859	-24%	2,486	3,607	-31%
Operating Expenses, ex D&A	18,100	17,423	4%	5,255	4,166	26%
EBITDA	(2,784)	1,643	n.a.	(1,949)	279	n.a.
EBITDA margin	-18.2%	8.6%	-26.8pp	-58.9%	6.3%	-65.2pp
Goodwill imparity	2,367	0	n.a.	2,367	0	n.a.
Adjusted EBITDA	(417)	1,643	n.a.	418	279	50%
EBITDA margin	-2.7%	8.6%	-11.3pp	12.6%	6.3%	6.4pp
Depreciation and amortisation	677	1,114	-39%	152	296	-49%
Operating income (EBIT)	(3,461)	529	n.a.	(2,101)	(16)	n.m.

This segment includes the internet business unit, as well as the holding and the shared services unit.

The IOL portal and the MCM site network received the best traffic ever during the fourth quarter of 2010, with an average of 189 million pageviews per month. This result helped the monthly average for 2010 to reach 161 million, which compares very well with the average of 123 million for 2009, representing a growth of 30%. The number of unique users also grew significantly, by 33% in 2010, to a monthly average of 3.9 million. The key drivers of these figures include "TVI24", "Maisfutebol", and "Lux".

Also, in December, the TVI sites rose to 4th in terms of visitor numbers in Netscope's national ranking, achieving its best result ever. That month, TVI remains in 2nd place in the ranking for pageviews, and also held its position for October and November. In terms of the FTA TV channels online, in December TVI had a share of 64% of site visits among

the three TV stations (10.8 million), and therefore is the clear market leader.

Advertising revenues rose 3% year-on-year (-2% in Q4), due to the good volume performance outlined above.

As regards **other operating** revenues, their reduction is justified by lower revenues at the holding and shared services level, related with the fees charged on the business units, as well as the capital gain obtained with the sale of a 35% stake in Transjornal that occurred in the second quarter of 2009 (€ 0.8 million).

The **operating costs** evolution reflects the continuing effort to keep costs under control at the holding / shared services level. A key factor in Q4 was the € 2.4 million impairment from the stake in CLMC.

The segment's **adjusted EBITDA** was negative by € 0.4 million, versus a positive € 1.6 million booked in the comparable period.



7. Consolidation Adjustments

€ thousand	2010	2009	Var %	Q4 2010	Q4 2009	Var %
Operating revenue	(47,960)	(57,312)	-16%	(11,641)	(14,360)	-19%
Advertising	(1,345)	(1,560)	-14%	(543)	(574)	-5%
Other revenues	(46,615)	(55,751)	-16%	(11,099)	(13,786)	-19%
Operating Expenses, ex D&A	(47,081)	(56,522)	-17%	(11,568)	(14,608)	-21%
EBITDA	(879)	(790)	11%	(74)	248	n.a.
EBITDA margin	1.8%	1.4%	0.5pp	0.6%	-1.7%	2.4pp
Depreciation and amortisation	0	0	n.m.	0	0	n.m.
Operating income (EBIT)	(879)	(790)	11%	(74)	248	n.a.

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	2010	2009	Var %	Q4 2010	Q4 2009	Var %
Cash flows op. activities (1)	25,736	44,207	-42%	30,783	18,347	68%
Cash flows inv. activities (2)	14,565	-2,732	n.a.	4,604	11,679	-61%
Cash flows fin. activities (3)	-37,279	-28,090	33%	-16,478	-15,416	7%
Variation of cash (4) = (1) + (2) + (3)	3,022	13,385	-77%	18,909	14,610	29%
Cash at the beginning of the period	20,556	7,172	187%	4,669	5,947	-21%
Cash at the end of the period	23,579	20,556	15%	23,579	20,556	15%

The **cash flow from operating activities** reached € 25.7 million, which compares with € 44.2 million for the previous year. Key drivers of this performance were (due to the lower activity) Audiovisual Production, Cinema & Video and Music, which offset a better performance by Television, Radio and Other.

Cash flows from investing activities went from € -2.7 million to € 14.5 million. The cash outflow related with tangible and intangible was € -9.7 million, versus the € -7.7 million observed in the full year. We also underline (i) the payment of one tranche related with the acquisition of Plural Entertainment (€ 9.3 million) and (ii) € 0.6 million related with the acquisition of 10% of CLMC share capital and shareholder loans, as well as 100% of PCP's

share capital – a Spanish production company). Last year's figure included, on top of a similar amount related with Plural Entertainment, the cash out flow derived from the acquisition of the remaining 30.71% stake of IOL Negócios (€ 0.6 million). The positive figure of this line is due to the net impact coming from loans granted (amounts received and paid) to Promotora de Informaciones, SA, as well as the receipt of a final tranche relating to the sale of the Outdoor activity.

Cash flow from financing activities came in at € -37.3 million, resulting directly from the operational and investing cash-flows and the payment of dividends at the overall amount of € 17.1 million.



9. Financial Net Debt

€ thousands	Dec 2010	Dec 2009	Abs Var	% Var
Group financial debt	113,729	128,866	(15,137)	-12%
Bank loans / Commercial paper	109,543	124,096	(14,553)	-12%
Other debt	4,186	4,770	(583)	-12%
Cash & equivalents	23,579	20,556	3,022	15%
Net debt	90,150	108,310	(18,159)	-17%

As a result of the movements described above, Grupo Media Capital's total financial net debt fell 17% or € 18.2 million vs December 2009, totalling € 90.2 million at the end of September. **Financial net debt adjusted for the loans to Promotora de**

Informaciones, S.A. stood at € 73.1 million at the end of period, comparing with € 63.8 million at the end of 2009, thus putting Grupo Media Capital in a comfortable capital structure.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2010 AND 2009

(Amounts stated in Euro thousand)

ASSETS	2010	2009
NON-CURRENT ASSETS:		
Goodwill	167,113	172,741
Intangible assets	20,320	21,452
Tangible assets	30,645	31,114
Investments in associates	66	-
Assets held for sale	8	8
Transmission rights and TV programs	54,593	59,526
Other non-current assets	1,448	1,470
Deferred income tax assets	5,543	5,335
	<u>279,737</u>	<u>291,645</u>
CURRENT ASSETS:		
Transmission rights and TV programs	12,168	8,903
Inventories	1,047	1,921
Trade and other account receivable	53,328	53,594
Current income tax assets	758	1,027
Other current assets	36,197	59,944
Cash and cash equivalents	23,579	20,556
	<u>127,077</u>	<u>145,945</u>
	<u>406,814</u>	<u>437,591</u>
TOTAL ASSETS		
<hr/> EQUITY AND LIABILITIES <hr/>		
EQUITY:		
Share capital	89,584	89,584
Reserves	23,124	22,495
Profit for the period	12,400	17,612
Equity attributable to equity holders	<u>125,107</u>	<u>129,690</u>
Equity attributable to non-controlling interests	<u>4,023</u>	<u>4,521</u>
Total Equity	<u>129,130</u>	<u>134,211</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	32,668	115,145
Provisions for other risks and charges	7,868	7,144
Other non-current liabilities	13,555	22,148
Deferred income tax liabilities	1,612	1,638
Derivative financial instruments	2,083	-
	<u>57,786</u>	<u>146,075</u>
CURRENT LIABILITIES:		
Borrowings	78,978	11,241
Trade and other payables	73,179	76,420
Current income tax liabilities	905	1,905
Other current liabilities	66,836	65,408
Derivative financial instruments	-	2,330
	<u>219,898</u>	<u>157,304</u>
	<u>277,684</u>	<u>303,379</u>
Total liabilities		
TOTAL EQUITY AND LIABILITIES	<u>406,814</u>	<u>437,591</u>

GRUPO MEDIA CAPITAL, S.G.P.S, S.A.
CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Amounts stated in Euro thousand)

	<u>2010</u>	<u>2009</u>
<u>OPERATING REVENUES:</u>		
Sales	10,141	16,925
Services rendered	213,734	227,462
Other operating revenue	25,133	23,481
Total operating revenue	<u>249,008</u>	<u>267,868</u>
<u>OPERATING EXPENSES:</u>		
Broadcasting costs and cost of good sold	(25,334)	(24,271)
Subcontrats and third party supplies	(106,848)	(112,625)
Payroll expenses	(67,190)	(74,607)
Depreciation and amortization	(12,174)	(12,527)
Provisions and impairment losses	(7,929)	(3,195)
Other operating expenses	(2,226)	(3,045)
Total operating expenses	<u>(221,702)</u>	<u>(230,270)</u>
Net operating profit	<u>27,306</u>	<u>37,598</u>
<u>FINANCIAL EXPENSES:</u>		
Financial expenses	(6,000)	(11,352)
Financial gains	1,031	2,190
Financial expenses, net	<u>(4,969)</u>	<u>(9,162)</u>
Losses on associated companies, net	(140)	(165)
Profit before tax	<u>22,197</u>	<u>28,270</u>
Income tax expense	(8,624)	(9,568)
Consolidated net profit for continued operations	<u>13,573</u>	<u>18,702</u>
Attributable to:		
Equity holders of the parent	12,400	17,612
Non-controlling interests	1,173	1,090
	<u>13,573</u>	<u>18,702</u>
Earnings per share (€)		
Basic	0.1467	0.2084
Diluted	<u>0.1467</u>	<u>0.2084</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Amounts stated in Euro thousand)

	2010	2009
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	311,721	336,654
Cash paid to suppliers	(170,204)	(162,291)
Cash paid to employees	(68,451)	(65,698)
Cash generated from operations	<u>73,067</u>	<u>108,665</u>
Other cash received/(paid) relating to operating activities	(47,330)	(64,458)
Net cash from operating activities (1)	<u>25,736</u>	<u>44,207</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
Sale of subsidiaries	3,000	15,250
Disposal of tangible assets	208	450
Disposal of intangible assets	200	17,352
Subsidies	-	3
Interest and other similar income	1,746	2,816
Repayment of loans granted	39,816	42,950
	<u>44,971</u>	<u>78,821</u>
Payments resulting from:		
Business concentrations	(9,864)	(9,810)
Acquisition of tangible assets	(9,354)	(7,170)
Acquisition of intangible assets	(337)	(493)
Loans granted	(10,851)	(64,081)
	<u>(30,406)</u>	<u>(81,554)</u>
Net cash from /(used in) investing activities (2)	<u>14,565</u>	<u>(2,732)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	147,109	65,588
Cash paid relating to:		
Borrowings	(161,866)	(66,904)
Leases	(1,162)	(1,373)
Interest and other similar expenses	(2,502)	(2,501)
Dividends	(17,086)	(20,360)
Other financial expenses	(1,772)	(2,541)
	<u>(184,388)</u>	<u>(93,678)</u>
Net cash from/(used in) financing activities (3)	<u>(37,279)</u>	<u>(28,090)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	3,022	13,385
Cash and equivalents at the beginning of the year	20,556	7,172
Cash and equivalents at the end of the year	23,579	20,556



10. Other Highlights

- ✓ Meios e Publicidade 2010 Awards - Grupo Media Capital and its representatives won several awards in the following categories:
 - TV Production - Plural
 - Radio - Rádio Comercial
 - Media Personality- Luís Cabral (General Manager MCR)

- ✓ TVI
 - TVI reportage awarded in Monaco – The in-depth reportage «Terra Desafio Global», broadcasted in the news program “Repórter TVI”, won the Prince Rainier III Special Prize for the Best Reportage – Environment Category, in the Monte Carlo International Television Festival
 - “Fora de Controlo” – awarded with the journalism prize in the mental health field, by Fundação AstraZeneca
 - “Esperança de Vida” – Mention of Honour by the Novartis Oncology journalism prize. The same journalist (Conceição Queiroz) also won the Intercultural Dialogue Prize, for her reportage “Música no Coração”, by the ACIDI
 - MAC 2010 - Programa Cultural Televisão – award attributed to the program “Cartaz das Artes” as the best cultural program in Portuguese television
 - Portuguese Football League – seasons 2010/2011 and 2011/2012 - Sport TV and TVI came to an understanding over the broadcasting by TVI of one match per week for these two seasons
 - Clube Nacional da Imprensa Desportiva - Best Television Program of the Year – “Maisfutebol”
 - TVI Internacional premiered on May 30th
 - TVI24 included in the Vodafone Casa package (from September) and the Cabovisão package (from December)

- ✓ Plural
 - “Meu Amor” – wins Emmy award in the “Telenovela” category. The ceremony (International Emmy World Television Festival) took place in New York, on 20/21 de November.

- ✓ Farol
 - Triple Platinum Disc (more than 60k units sold) for the album:
 - “O Mesmo de Sempre” – Tony Carreira
 - Platinum Disc (more than 20k units sold) for the album:
 - “Morangos com Açúcar – Vive o teu talento”
 - Golden Disc (more than 10k units sold) for the albums: “O Melhor de Beto” – Beto; “Toda a Escolinha de Música” – Escolinha de Música; “Benfica Campeão” – Several Artists; “The Resistance” – Muse (Warner); “Luar” – Rita Guerra; “Ao Vivo no Coliseu” – Mickael Carreira

- ✓ MC Multimedia
 - “Mais Futebol” – launch of the book “Onda Benfica”, in a partnership with Objectiva
 - Launch of the ecommerce website euqueroumdestes.com
 - TVI websites are leaders amongst TVs’ sites (64% share in December)

- ✓ CLMC
 - “Avatar” most watched movie of the year and the one that generated most revenues in the last 3 years in Portugal

- ✓ MCR
 - End of the broadcast of the RCP format in July
 - Launch of Star FM in November
 - MCR Radios hit audience records, contrasting with general radio consumption
 - Rádio Comercial consolidates its position as #2 radio in Portugal