






First Quarter 2015 Results

Grupo Media Capital, SGPS, S.A.

NOTE:
Free translation for information purposes only. In the event of discrepancies, the Portuguese language version prevails

	<ul style="list-style-type: none"> • 11th year as #1 channel in audiences • #1 group of channels in audiences • #1 TV in digital • New contents in fiction and entertainment: “A Única Mulher”, “Masterchef Portugal”, “Secret Story – Luta pelo Poder” and “The Money Drop – entre a Ganhar” • TVI24 broadcasted in Cape Verde
	<ul style="list-style-type: none"> • Big in-house production “A Única Mulher”, with recording taking place in Angola and Portugal • Rendering of technical services and cenography to Angola and Spain
	<ul style="list-style-type: none"> • Rádio Comercial #1 radio station in Portugal both in on air audiences and social networks
	<ul style="list-style-type: none"> • New website IOL.pt • IOL’s 15th anniversary • App Masterchef • Actions #parabenstvi and #parabenstvi24 • Online voting - LUX “Personalidades 2014” • New blog “Teresa Guilherme”

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

FIRST QUARTER 2015 RESULTS

Media Capital's net profit more than tripled YoY, reaching € 2.3 million in the first three months of 2015

- Media Capital's EBITDA improved by 5%, reaching € 5.5 million, with a margin of 14.5%. This performance stems from the improvement in advertising, as well as from the continuous effort put into controlling opex.
- In what advertising is concerned, on consolidated grounds it increased by 1%.
- **TVI** kept the leadership in TV audiences, with an average share of 23.1% and 26.0% in all day and prime time respectively. The positive gap over the second most watched channel was 3.9pp in all day and 1.6pp in prime time. TVI leadership was also maintained when analysing groups of channels, with 26.6% in all day and 28.4% in prime time, i.e. respectively 4.1pp and 1.4pp above the second most watched group of channels.
- On financial grounds, the **TV** segment posted an EBITDA of € 4.6 million and a margin of 14.7%, with advertising up by 1%.
- The **Audiovisual Production** segment had a substantial improvement of its profitability, with an EBITDA of € 0.7 million (vs. € -0.3 million in the comparable quarter of 2014).
- The **Radio's** EBITDA was € 0.5 million, with a margin of 15.7%, thus improving by 10% vs Q1 2014. The first audience data for 2015 confirmed Rádio Comercial as the country's number one radio station (23.6% share, 2.3pp above the closest competitor), whereas MCR's aggregate group of radios registered a share of 33.8% (1.9pp above the comparable reading of 2014).
- Below the operating line, **financing results** improved by almost 50%, benefiting greatly from the refinancing operation that took place in the second half of 2014.

Queluz de Baixo, 17 April 2015



1. Consolidated P&L

€ thousand	Q1 2015	Q1 2014	% Var
Total operating revenue	37,935	39,860	-5%
Television	31,279	32,675	-4%
Audiovisual Production	9,918	9,578	4%
Radio	3,384	3,348	1%
Others	4,129	4,507	-8%
Consolidation Adjustments	(10,775)	(10,248)	-5%
Total operating expenses ex-D&A	32,416	34,594	-6%
EBITDA	5,519	5,266	5%
EBITDA Margin	14.5%	13.2%	1.3pp
Television	4,583	5,049	-9%
Audiovisual Production	705	(305)	N/A
Radio	531	485	10%
Others	(144)	46	N/A
Consolidation Adjustments	(156)	(9)	-1624%
Depreciation and amortisation	1,719	2,218	-22%
Operating income (EBIT)	3,800	3,048	25%
Financing Results	(1,125)	(2,193)	49%
Profit / (Loss) before inc. tax/ no contrl. Int.	2,675	855	213%
Income Taxes	(397)	(139)	-185%
Profit / (Loss) from continued operations	2,278	715	218%
Net profit / (loss) for the period	2,278	715	218%

In Q1 2015, Media Capital recorded **consolidated operating revenues** of € 37.9 million, decreasing by 5%.

Consolidated opex dropped by 6%, mostly due to the TV and Audiovisual Production segments.

Consolidated EBITDA was € 5.5 million, with a margin of 14.5%, thus improving by 5% YoY.

Consolidated EBIT reached € 3.8 million (€ 3.0 million in Q1 2014), while **net profit** was € 2.3 million, 218% YoY, also benefiting from the good performance at the financing results caption.



€ thousand	Q1 2015	Q1 2014	% Var
Operating revenue	37,935	39,860	-5%
Advertising	23,729	23,549	1%
Other revenues	14,206	16,311	-13%

In terms of revenues, **advertising** went up by 1%. In the Television segment, advertising recovered 1%. In Radio, the figure was 2%, whereas in the Others segment (which includes Digital, Music and Events, as well as the holding and shared services), there was no change vs Q1 2014.

Other operating revenues, which comprise mainly the audiovisual production, multimedia and

retransmission revenues, were down 13%, with the impact coming mostly from the multimedia services in the TV segment. Such reduction was mostly due to (i) the impact of the sector's self-regulation, as well as from (ii) the call blocking perpetrated by telecoms players (the latter issue was solved in the second quarter).

2. Television

€ thousand	Q1 2015	Q1 2014	Var %
Operating revenue	31,279	32,675	-4%
Advertising	19,774	19,639	1%
Other revenues	11,505	13,036	-12%
Operating Expenses, ex D&A	26,696	27,626	-3%
EBITDA	4,583	5,049	-9%
EBITDA margin	14.7%	15.5%	-0.8pp
Depreciation and amortisation	697	910	-23%
Operating income (EBIT)	3,886	4,139	-6%

Considering the aggregate groups of channels of each operator, TVI (comprising TVI, TVI24, TVI Ficção, +TVI and TVI Direct) achieved a share of 26.6% in all day and 28.4% in prime time (8p.m. - 12p.m.). The leadership status was also maintained in the main commercial target - Adults.

All Day (%)	UNIVERSE	ADULTS
Grupo TVI	26.6	27.3
Grupo SIC	22.5	23.0
Grupo RTP	18.9	19.8

Prime Time (%)	UNIVERSE	ADULTS
Grupo TVI	28.4	28.9
Grupo SIC	27.0	27.6
Grupo RTP	17.1	17.9



In terms of individual channels, TVI's generalist channel confirmed yet again its #1 position, with a share of 23.1% in all day, 3.9 pp above the closest competitor, and 7.3pp above the third most watched channel.

In 2015, TVI also ranks in the first place in the main commercial target - Adults - where it registers a share of 23.7%, i.e. 4.1pp and 6.9pp above the second and third players respectively.

In prime time, TVI also beat the competition, with a share of 26.0%, meaning 1.6pp above the

number two channel. The equivalent situation was achieved in the Adults target, with TVI capturing a 26.4% share, while the second and third most watched channels had 24.9% and 15.5% respectively.

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

FINANCIAL PERFORMANCE

In what regards **financial performance**, operating revenues in the TV segment fell by 4%.

Advertising revenues were 1% up YoY.

On the other hand, **other revenues**, which essentially include retransmission fees and multimedia services, were down 12%, mainly as a result of the dynamics of the last one of these lines of income. More precisely, the decrease in multimedia services revenues came out mostly due to (i) the impact of the sector's self-regulation, as well as from (ii) the call blocking perpetrated by telecoms players (the latter issue was solved in the second quarter).

Opex fell by 3% YoY, chiefly stemming from the lower expenditure in programming costs,

The combined evolution of revenues and opex resulted in an **EBITDA** of € 4.6 million, which compares with € 5.0 million in Q1 2015 (-9%), with a margin of 14.7%.



3. Audiovisual Production

€ thousand	Q1 2015	Q1 2014	Var %
Operating revenue	9,918	9,578	4%
Advertising	0	0	0%
Other revenues	9,918	9,578	4%
Operating Expenses, ex D&A	9,213	9,882	-7%
EBITDA	705	(305)	N/A
EBITDA margin	7.1%	-3.2%	10.3pp
Depreciation and amortisation	569	791	-28%
Operating income (EBIT)	135	(1,096)	N/A

The Audiovisual Production segment reached total **operating revenues** of € 9.9 million, improving 4% YoY.

In Portugal, operating revenues were up 2%. The positive trend also extended to Spanish activities,

with revenues increasing versus the comparable quarter of last year.

With increasing revenues and decreasing opex (-7%), **EBITDA** improved sharply towards € 0.7 million (vs € -0.3 million in Q1 2014).



4. Radio

€ thousand	Q1 2015	Q1 2014	Var %
Operating revenue	3,384	3,348	1%
Advertising	3,233	3,162	2%
Other revenues	152	186	-18%
Operating Expenses, ex D&A	2,853	2,863	0%
EBITDA	531	485	10%
EBITDA margin	15.7%	14.5%	1.2pp
Depreciation and amortisation	385	430	-10%
Operating income (EBIT)	145	54	167%

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

In the first audience measurement available for 2015, **MCR's aggregate figures show a share of 33.8%** (1.9pp above the comparable reading obtained in 2014). It is worth highlighting **Rádio Comercial's** share of **23.6%**, +2.3pp YoY and also 2.3pp more than the second most listened to radio station.

Advertising revenues were up 2% YoY, while **other operating revenues** were 18% YoY lower, albeit their absolute value is rather low.

Opex was flat on a YoY basis.

EBITDA reached € 0.5 million (+10% YoY), with a margin of 15.7% (+1.2pp).

In turn, **m80** – the 70's, 80's e 90's hits radio – had a share of 5.8%. It is the most listened to radio station among the ones that have no nationwide network.

As for the other formats, **Cidade** had a share of 3.0%, thus keeping the leadership amongst the radio stations whose main target are the youngsters.

5. Others

€ thousand	Q1 2015	Q1 2014	Var %
Operating revenue	4,129	4,507	-8%
Advertising	745	744	0%
Other revenues	3,384	3,763	-10%
Operating Expenses, ex D&A	4,273	4,461	-4%
EBITDA	(144)	46	N/A
EBITDA margin	-3.5%	1.0%	-4.5pp
Depreciation and amortisation	68	86	-22%
Operating income (EBIT)	(212)	(40)	-424%

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

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

As an example, TVI kept its leadership, with a share of 49% in visits and 46% in page views, in

both cases considering the universe of FTA TV websites in Portugal.

Advertising revenues were stable YoY, whereas **other revenues** were down 10% YoY.

The **EBITDA** of the segment was a negative € 144 thousand, which compares with a positive € 46 in Q1 2014.

6. Cash Flow

€ thousand	Q1 2015	Q1 2014	Var %
Receipts	52,896	51,044	4%
Payments	(47,731)	(56,536)	16%
Cash flows op. activities (1)	5,164	(5,492)	N/A
Receipts	389	49	694%
Payments	(3,393)	(1,696)	-100%
Cash flows inv. activities (2)	(3,004)	(1,647)	-82%
Receipts	44,804	30,861	45%
Payments	(47,417)	(25,881)	-83%
Cash flows fin. activities (3)	(2,613)	4,980	N/A
Cash at the beginning of the period	2,996	5,237	-43%
Variation of cash (4) = (1) + (2) + (3)	(453)	(2,158)	79%
Effect of FX variations	3	(4)	N/A
Cash at the end of the period	2,546	3,075	-17%

Cash flow from operating activities was € 5.2 million, which compares with € -5.5 million in Q1 2014. The Television segment was the main responsible for the improvement, due to advertising as well as to the fact that in Q1 2014, there were (expected) mismatches between cash inflows and outflows from receivables and payables. It is also worth highlighting that the high seasonality of Media Capital's business typically originates that cash flow generation is concentrated in the last third of the year.

Cash flow from investing activities was € -3.0 million, comparing with € -1.6 million in Q1 2014. The cash flow related with tangible and intangible assets was € -3.4 million, which compares against € -1.0 million in Q1 2014. This increase is mostly due to (i) the abnormally low capex booked in Q1 2014 and, more importantly, (ii) the concentration of 2014 capex in the last months of the year, with the related payments taking place already in 2015. In this sense, the

Group does not expect Q1's capex to be considered as a proxy for the expected full year figure on a proportional basis.

Cash flow from financing activities was € -2.6 million, reflecting the movements in operating

and investing cash flow, as well as the dividends paid out (€ 15.8 million). Please bear in mind that in 2014 the dividends were paid out in the second quarter.



7. Net Debt

€ thousands	Mar 15	Dec 14	Abs Var	% Var
Group financial debt	128,543	118,719	9,824	8%
Bank loans / Commercial paper / Bonds	127,250	117,154	10,096	9%
Other debt	1,293	1,565	(272)	-17%
Cash & equivalents	2,546	2,996	(449)	-15%
Net debt	125,997	115,723	10,273	9%

In what concerns **net debt**, there was an increase of 9% (€ 10.3 million) since the end of 2014, thus standing at € 126.0 million at the end of March 2015. As usual, leasings, which amount to € 1.3 million at the end of the quarter, are included in the net debt figure.

As explained in the cash flow note, the net debt increase was due to the dividends paid out

(€ 15.8 million), without which net debt would have decreased.

Media Capital thus ends the first quarter of 2015 maintaining a healthy financial structure.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2015 AND 31 DECEMBER 2014

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>31.03.2015</u>	<u>31.12.2014</u>
NON-CURRENT ASSETS:		
Goodwill	153,568	153,568
Intangible assets	13,397	13,829
Tangible fixed assets	15,953	16,255
Investments in associates	1,625	1,685
Assets held for sale	8	8
Transmission rights and TV programs	48,995	48,481
Other non-current assets	3,446	3,693
Deferred income tax assets	3,544	3,536
	<u>240,535</u>	<u>241,055</u>
CURRENT ASSETS:		
Transmission rights and TV programs	34,666	33,585
Inventories	42	38
Trade and other account receivable	40,961	41,943
Current tax assets	353	245
Other current assets	13,735	12,180
Cash and cash equivalents	2,546	2,996
	<u>92,304</u>	<u>90,987</u>
TOTAL ASSETS	<u><u>332,839</u></u>	<u><u>332,042</u></u>
<hr/> EQUITY AND LIABILITIES <hr/>		
EQUITY:		
Share capital	89,584	89,584
Reserves	29,125	28,829
Profit for the period	2,278	16,475
Equity attributable to controlling interests	<u>120,987</u>	<u>134,888</u>
Total Equity	<u>120,987</u>	<u>134,888</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	111,908	103,656
Provisions	6,381	6,941
Deferred income tax liabilities	1,358	1,358
	<u>119,647</u>	<u>111,956</u>
CURRENT LIABILITIES:		
Borrowings	16,635	15,063
Trade and other payables	45,336	42,483
Current tax liabilities	20	53
Other current liabilities	30,214	27,600
	<u>92,205</u>	<u>85,199</u>
Total liabilities	<u>211,852</u>	<u>197,154</u>
TOTAL EQUITY AND LIABILITIES	<u><u>332,839</u></u>	<u><u>332,042</u></u>

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2015 AND 2014
(Amounts stated in Euro thousand)

	<u>31.03.2015</u>	<u>31.03.2014</u>
<u>OPERATING REVENUES:</u>		
Services rendered	26,292	26,535
Sales	46	119
Other operating revenue	11,598	13,206
Total operating revenue	<u>37,935</u>	<u>39,860</u>
<u>OPERATING EXPENSES:</u>		
Cost of programs broadcasted and goods sold	(4,496)	(7,128)
Subcontrats and third party supplies	(17,240)	(15,511)
Payroll expenses	(10,809)	(11,537)
Depreciation and amortization	(1,719)	(2,218)
Provisions and impairment losses	497	(133)
Other operating expenses	(367)	(286)
Total operating expenses	<u>(34,135)</u>	<u>(36,812)</u>
Net operating profit	<u>3,800</u>	<u>3,048</u>
<u>FINANCIAL EXPENSES:</u>		
Financial expense	(1,535)	(2,259)
Financial income	421	38
Finance costs, net	(1,113)	(2,221)
Gains (losses) on associated companies, net	(12)	28
Profit before tax	<u>2,675</u>	<u>855</u>
Income tax expense	(397)	(139)
Consolidated net profit for continued operations	<u>2,278</u>	<u>715</u>
Attributable to:		
Equity holders of the parent	<u>2,278</u>	<u>715</u>
Earnings per share (Euros)		
Basic	0.0270	0.0085
Diluted	<u>0.0270</u>	<u>0.0085</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 AND 2014

(Amounts stated in Euro thousand)

	<u>31.03.2015</u>	<u>31.03.2014</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	52.896	51.044
Cash paid to suppliers	(28.238)	(29.945)
Cash paid to employees	(10.595)	(11.387)
Cash generated from operations	<u>14.063</u>	<u>9.712</u>
Cash received/(paid) relating to income tax	(32)	11
Other cash received/(paid) relating to operating activities	(8.867)	(15.215)
Net cash from operating activities (1)	<u>5.164</u>	<u>(5.492)</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	52	-
Business concentrations	-	8
Disposal of fixed tangible assets and intangible assets	3	21
Investment subsidies	9	-
Dividends	35	-
Interest and similar income	42	20
Loans granted	248	-
	<u>389</u>	<u>49</u>
Payments resulting from:		
Acquisition of tangible assets	(3.351)	(986)
Acquisition of intangible assets	(23)	(7)
Loans granted	(19)	(703)
	<u>(3.393)</u>	<u>(1.696)</u>
Net cash from /(used in) investing activities (2)	<u>(3.004)</u>	<u>(1.647)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	44.804	30.861
Cash paid relating to:		
Borrowings	(29.120)	(23.639)
Leases	(331)	(332)
Interest and other similar expenses	(1.995)	(1.508)
Dividends	(15.821)	-
Other financial expenses	(150)	(402)
	<u>(47.417)</u>	<u>(25.881)</u>
Net cash from/(used in) financing activities (3)	<u>(2.613)</u>	<u>4.980</u>
Cash and equivalents at the beginning of the period	2.996	5.237
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(453)	(2.158)
Exchange rate effect	3	(4)
Cash and equivalents at the end of the period	2.546	3.075