



Media Capital

First Quarter 2009 Results



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 QUARTER 2009 RESULTS

For the first quarter of 2009 Grupo Media Capital reports an EBITDA of € 5.9 million.

- In the first quarter of 2009 Media Capital reports consolidated operating revenues of € 58.7 million, a 12% increase over the comparable period.
- An EBITDA of € 5.9 million, down 28%, and an Operating Income (EBIT) of € 2.9 million, down 47% year on year.
- Total advertising revenues of € 30.0 million, down 17% on a comparable basis, and outperforming the local advertising market.
- TVI led audience shares yet again, with FTA shares of 34.6% in all day and 39.4% in prime time.
- In Audiovisual Production, and despite the unfavourable economic environment, Plural's activity continued to grow at a significant pace, namely in the Spanish market.
- In the first quarter of the year, the Group's radios achieved an audience share of 23.3%, registering significant improvements both over the comparable and the previous quarter.
- On February 26th, TVI launched its new 24h news channel, TVI24.

Queluz de Baixo, April 27, 2009

Grupo Media Capital

Investor Relations
Pedro Mendes, Head
Bruno Rodrigues

Contacts
e-mail: ir@mediacapital.pt
Phone: +351 21 434 76 03



1. Analysis of consolidated income statement

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Total operating revenue	58.651	52.476	12%
Television	33.867	37.143	-9%
Audiovisual Production	23.836	10.395	129%
Entertainment	7.437	7.464	0%
Radio	2.484	3.243	-23%
Others	(8.974)	(5.770)	56%
Total operating expenses	52.749	44.232	19%
EBITDA	5.902	8.243	-28%
EBITDA margin	10,1%	15,7%	-5,6pp
Television	4.628	9.717	-52%
Audiovisual Production	2.168	1.066	103%
Entertainment	(443)	(64)	n.m.
Radio	(670)	(934)	-28%
Others	218	(1.542)	n.a.
Depreciation and amortisation	2.960	2.704	9%
Operating income (EBIT)	2.942	5.540	-47%
Financial expenses, net	2.593	1.133	129%
Profit / (Loss) before inc. tax/ min.	349	4.407	-92%
Income tax	(101)	(1.341)	-92%
Profit / (Loss) from continued operations	248	3.066	-92%
Profit / (Loss) from disc. operations	0	945	-100%
Minority interests	(242)	(18)	n.m.
Net profit / (loss) for the period	5	3.993	-100%

For the period ended March 31, 2009, Grupo Media Capital reports **consolidated revenues** of € 58.6 million, up 12% over the comparable period, and an **EBITDA** of € 5.9 million, down 28% year on year.

Operating income (EBIT) was also down over the comparable period, dropping to € 2.9 million, while **net profit** was down to near break-even.

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Operating revenue	58.651	52.476	12%
Advertising	29.993	37.239	-19%
Audiovisual Production	12.312	500	n.m.
Other revenues	16.346	14.736	11%

In total consolidated revenues, **advertising revenues** were down 19% year on year, with decreases across all segments, with the TV segment dropping 17%, and in the Radio segment down 25%. In the Other segment, advertising revenues were down 65% mostly due to the sale of the press business (which was consolidated until the end of July 2008), with the internet activity also down 17%. On a comparable basis, i.e. excluding the sale of the press business, total advertising revenues would have been down 17%, a group performance that should clearly outmatch the total advertising market

Consolidated **Audiovisual Production revenues** include for the most part, the revenues of Plural España and the impact of its consolidation as of May 2008, as most of Plural Portugal's revenues are still intra-group sales of local fiction to TVI. Total revenues presented in the Audiovisual Production reporting segment differ from those here presented as the former include all intra-group sales, which are eliminated in the consolidated figures presented in the table above.



Consolidated **Other revenues**, gained 11% over the comparable period, largely due to the growth in the TV segment, resulting from both the launch of cable news channel TVI24 and from technical services rendered to companies outside the group. Adding to this performance was also the positive impact of the consolidation of Plural España and on the downside the effect of the other revenues in the press in 2008.

Consolidated **Operating costs** were up 19% over the previous year, also reflecting the impact of the activities consolidated in 2008, namely Plural España, but also the new cost structure of the new cable channel and increased programming costs in TVI, partly offset by lower costs in the Radio segment and the press business sale.

Net financial expenses more than doubled to € 2.9 million following increased costs with interest rate swap contract, as a result of the steep decline in interest rates towards the end of the last year.

As referred in previous quarters, the amount of €0.9 million, booked under profit from discontinued operations in 2008, corresponds to a final adjustment, booked in the 1st quarter of the year, to the total amount paid for the sale of the Outdoor advertising business, according to the terms and conditions set out in the Sale Agreement.

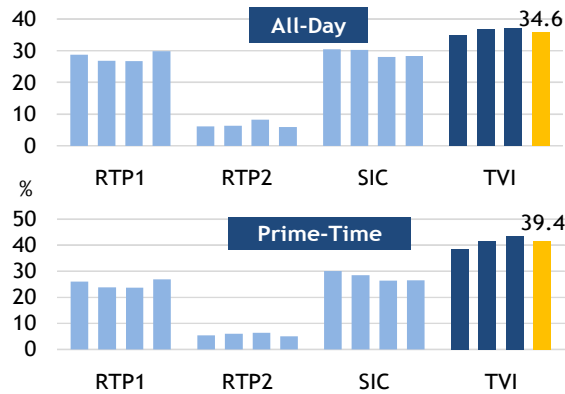
Consolidated **Net Profit** was down to just marginally above break-even as a result of both the decrease in operational performance and the increased financial costs.

2. Television

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Operating revenue	33.867	37.143	-9%
Advertising	27.412	33.011	-17%
Other revenues	6.455	4.131	56%
Operating Expenses	29.239	27.425	7%
EBITDA	4.628	9.717	-52%
EBITDA margin	13,7%	26,2%	-12,5pp
Depreciation and amortisation	1.432	1.298	10%
Operating income (EBIT)	3.196	8.420	-62%

The Television segment includes both the activities of TVI, with both its generalist FTA channel and its newly launched cable news channel TVI24, 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 differ slightly below the figures reported in previous quarters.

Following the agreement signed between TVI and ZON Multimedia, the leading cable platform in Portugal, on February 26th, TVI launched its first cable channel TVI24, a round-the-clock news channel. This launch has an impact on all comparisons with the first quarter of last year.



Source: Marktest; Quarterly evolution

In this first quarter of the year, TVI has once again led FTA audience shares in Portugal, leading both in all day with a share of 34.6%, and in prime time with 39.4%.

Throughout the first period of the year, TVI maintained its usual programming structure, again grounded on local fiction programming, entertainment and information and news.

As in previous years, local fiction remained atop the preferences of Portuguese viewers. In prime time soap opera “Flor do Mar” maintained a clear lead in its timeslot with an audience share of 42.9% and an average daily audience of 1.4 million viewers, while “Olhos nos Olhos” also led its late prime time slot with an average share of 40.1%. Soap opera “Feitiço de Amor” has been broadcasted in two different slots as of February, with good performances in both access to prime time with an average share of 37.9% and in its prime time slot with an impressive 48% audience share corresponding to an average viewing audience of 1.3 million.

Throughout the 13 episodes aired in first quarter, the weekly broadcast of “Equador”, the largest TV production ever in Portugal, has reached an average share of 43.2% corresponding to an average of 1.4 million viewers

In access to prime time, youth long series “Morangos com Açúcar VI” now well into its sixth of broadcast has kept up its strong results, namely among its core younger audiences with a 64.7% average share in the 4/14 age group and 60.4% in the 4/24 age group. Still in the programming for younger viewers, we highlight Saturday morning’s youth series “Campeões e Detectives” reaching an average share of 49.5% in its main target, the 4-14 age group.

In information programming, prime time news by “Jornal Nacional” continues to be one of the most watched news information programs, with a daily reach of over 1.1 million viewers and an audience share of 33%, with the Friday edition “Jornal Nacional de 6^a” going just above 1.2 million viewers. Lunchtime news program “Jornal da Uma” maintained its growth trend, ranking #2 with an average audience share of 29.6% and an average audience of half a million viewers.

In sports TVI broadcasted several football matches featuring the Portuguese national team, with the match Portugal vs. Sweden recording an audience high of 61.2% and more than 2 million viewers. TVI has also aired three rounds of the Portuguese Cup, for which it holds the broadcasting rights, averaging 1.1 million viewers and a share of 35%.

In the first quarter of 2009, the Television segment saw its advertising revenues drop 17% over the comparable period, but still outperforming an aching TV advertising market, which according to most recent estimates, may have dropped somewhere between 20% to 25%.

Other revenues were up 56% year on year, benefiting from the launch in February of news channel TVI24 and increased revenues from the rendering of technical support services.

Operating costs had an increase of 7% over the comparable period, reflecting higher programming costs with soap operas and “Equador” and the cost structure supporting TVI24.

Following the significant drop in advertising revenues, the Television segment **EBITDA** was down 52% over the first quarter of last year to **€ 4.6 million**, with an **EBITDA margin 13.7%**, down from 26.2% in the previous year.

3. Audiovisual Production

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Operating revenue	23.836	10.395	129%
Advertising	0	0	n.a.
Audiovisual production	21.962	10.094	118%
Other revenues	1.874	301	n.m.
Operating Expenses	21.668	9.330	132%
EBITDA	2.168	1.066	103%
EBITDA margin	9,1%	10,3%	-1,2pp
Depreciation and amortisation	649	407	59%
Operating income (EBIT)	1.519	659	131%

The “Audiovisual Production” business segment was reported for the first time in the second quarter of 2008, following the acquisition of Plural Entertainment España in May 2008. The figures presented for the first quarter of 2008 only include the activities of Plural Portugal (formerly named NBP).

For the first quarter of the year, revenues for the segment totalled € 23.8 million, while EBITDA reached € 2.2 million, corresponding to an EBITDA margin of 9.1%.

On a pro-forma basis, considering 100% of Plural in both years, operating revenues would have increased by 6% over the comparable period, with the slight decrease in the activity of Plural Portugal compensated by the increase in sales of Plural España both to FTA channels (namely to Antena 3) and to local TV stations. Contributing to the increase in revenues was also the gain registered with the acquisition of minorities in the movie production company Tesela (19% stake) that is now wholly owned by the Group. Still on a comparable basis, EBITDA for the segment would have been up 1%.



4. Entertainment

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Operating revenue	7.437	7.464	0%
Music & Event production	3.035	2.941	3%
Cinema & Video	4.402	4.523	-3%
Operating Expenses	7.880	7.528	5%
EBITDA	(443)	(64)	n.m.
EBITDA margin	-6,0%	-0,9%	-5,1pp
Depreciation and amortisation	48	40	20%
Operating income (EBIT)	(490)	(103)	374%

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.

Revenues for the first quarter of the year were in line with the comparable period, with the 3% increase in the **Music & Events** being offset by a 3% drop in the **Cinema & Video** activity.

In the **Music & Events** business, revenues were up 3%, with **CD music sales** broadly in line with the comparable period of last year and gains in revenues from both events production and music publishing and royalties.

In the **Cinema & Video** business, movie distribution saw its revenues grow by 31%, benefiting from stronger revenues from the Fox and independent movie catalogues. This increase was however offset by a 10% decline in video distribution, impacted by a worse performance from the Warner video catalogue, still partially compensated by an increase of sales of DVDs in partnerships entered into with several press titles.

Operating costs were up 5%, including a step-up of 6% in Cinema & Video due to the extended activity in movie distribution activity as well as due to the increase in variable costs associated with promotional DVD sales. In Music & Events, operating costs were up 2% mostly due to the increase with variable costs directly related with the production of events.

Consolidated **EBITDA** for the Entertainment segment was of € -0.4 million for the first quarter, down from € -0.1 in the comparable period of last year.



5. Radio

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Operating revenue	2.484	3.243	-23%
Advertising	2.281	3.049	-25%
Other revenues	203	194	5%
Operating Expenses	3.154	4.177	-25%
EBITDA	(670)	(934)	-28%
EBITDA margin	-27,0%	-28,8%	1,8pp
Depreciation and amortisation	562	554	1%
Operating income (EBIT)	(1.231)	(1.488)	-17%

In the **first quarter of 2009**, Media Capital Radios (MCR) reached an **audience share of 23.3%**, its best performance in recent years, gaining significant shares both over the comparable period, up 1.4 pp, and over the previous quarter, up 1.3 pp.

We also highlight that in this first set of audiences for 2009, MCR's radios obtained its best audience reach results in eight years, with over 1.4 million listeners. Radio Comercial, the Group's leading radio station, gained more than 80.000 new listeners both over the comparable period of last year and over the previous quarter. We also point out the recovery in audiences by Rádio Clube also gaining new listeners over both periods, as well as M80 that has maintained its growth trajectory and is now a well established presence in the top 10 of Portuguese radios.

Audience Share (%)	1Q08	2Q08	3Q08	4Q08	1Q09
Comercial	11,4	11,1	9,2	12,1	11,7
Cidade FM	5,8	5,7	6,9	4,8	4,8
RCP	1,4	2,0	2,2	1,4	2,0
M80	1,7	2,1	2,3	2,5	2,9
MC Rádios	21,9	22,8	22,2	22,0	23,3
Audience Reach (%)	1Q08	2Q08	3Q08	4Q08	1Q09
Comercial	7,7	7,4	6,4	7,6	8,7
Cidade FM	4,7	4,6	4,9	4,1	4,5
RCP	1,1	1,4	1,4	1,0	1,5
M80	1,1	1,4	1,6	1,5	1,9
MC Rádios	15,1	15,4	14,6	14,4	17,0
Mercado Rádio	56,8	56,5	53,9	52,8	58,1

Source: Marktest

MCR's total **advertising revenues** were down 25% for the first quarter, slightly outperforming a radio advertising market which has also suffered a massive decline in the first three months of 2009.

Total **operating expenses** in the segment were down a significant 25%, benefiting from substantial reductions in marketing costs and from the adjustments to its staff structure that have taken place as of the final months of last year.

Consolidated EBITDA for the Radio segment stood at € -0.7 million, up slightly from the € -0.9 million achieved in the first quarter of the previous year.



6. Others

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Operating revenue	(8.974)	(5.770)	56%
Advertising	685	1.936	-65%
Subscription & newstand revenues	0	1.400	-100%
Other revenues	3.685	4.202	-12%
Consolidation adjustments	(13.344)	(13.307)	0%
Operating Expenses	(9.191)	(4.228)	117%
Other expenses	3.899	8.898	-56%
Consolidation adjustments	(13.091)	(13.126)	0%
EBITDA	218	(1.542)	n.a.
Depreciation and amortisation	269	405	-34%
Operating income (EBIT)	(52)	(1.947)	-97%

Internet operations, shared services, central holding costs and consolidation adjustments are included in this segment. The figures presented also include the magazine publishing business up until the end of the month of July of 2008.

Advertising revenues in were down 65% year on year, justified mostly by the impact of the sale of the magazine business, which also affects the comparison in **Other Revenues**. Advertising revenues in the group's Internet sites network IOL were down 10% in the first quarter of the year.

The first quarter of the year proved to be quite buoyant in the internet business. The obvious highlight the partnership signed with MySpace, under which the Media capital Multimedia will run the MySpace Portugal website and its commercial operation, a partnership that is expected to allow for significant growth in traffic for the Group's network and attract new advertisers. Other significant actions were the deployment of the news site for TVI24, and the development of sites under new partnerships, namely "Superstars" for children, "Rituais" for healthy lifestyle, "leiloes.iol.pt" an auction site in a partnership with Sonaecom, and the launch of video ads for car sales.

As in the several revenue captions, most of the variance in **Operating Costs** is also directly related with sale of the press business.

In the **consolidation adjustments** heading we point out that the greater part of these adjustments are due to the sale of audiovisual contents produced by Plural (Audiovisual segment) to TVI (TV segment).

The Others segment reports an **EBITDA** of € 218 thousand, an improvement of € 1.8 million year on year.



7. Cash flow

€ thousand	1st Quarter 2009	1st Quarter 2008	Var %
Operating activities			
Receipts	68.344	65.445	4%
Payments	(74.187)	(60.156)	23%
Cash flows op. activities (1)	(5.842)	5.289	n.a.
Investing activities			
Receipts	7.083	20.038	-65%
Payments	(21.017)	(23.776)	-12%
Cash flows inv. activities (2)	(13.934)	(3.739)	273%
Financing activities			
Receipts	35.052	33.502	5%
Payments	(15.623)	(36.933)	-58%
Cash flows fin. activities (3)	19.429	(3.431)	n.a.
Variation of cash (4) = (1) + (2) + (3)	(347)	(1.880)	-82%
Cash at the beginning of the period	7.172	5.017	43%
Cash at the end of the period	6.824	3.136	118%

The **Cash flow from operating activities** registered a negative performance in the first quarter of the year, given the fact that volume rebates being settled at a much faster pace than in the same period of last year mostly due to the current economic environment, while the positive impact of Plural España was unable to offset the impact of such discounts.

Cash flows from investing activities went from a negative € 3.7 million to a negative € 13.9 million, due to a net increase of € 10.0 million in the financial application under a loan to Grupo Prisa.

The **cash flow from financing activities** came in at € 19.4 million, resulting directly from the operational and investing cash-flows.

8. Financial Debt

€ thousands	Mar 09	Dec 08	Change	Var %
Group financial debt	151.658	130.076	21.583	17%
Bank loans / Commercial paper	146.238	125.359	20.880	17%
Other debt	5.420	4.717	703	15%
Cash & equivalents	6.824	7.172	(347)	-5%
Net debt	144.834	122.904	21.930	18%

Media Capital total net debt was up 18% or € 21.9 million in this first quarter, totalling € 144.8, and up from € 122.9 million at the year end of 2008. The adjusted net debt, i.e. excluding the loan to Grupo Prisa, stood at € 111.8 million.



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2009 AND 31 DECEMBER 2008

(Amounts stated in Euro thousand)

ASSETS	31.03.2009	31.12.2008
NON-CURRENT ASSETS:		
Goodwill	172.137	176.547
Intangible assets	16.669	10.964
Tangible assets	38.420	39.135
Assets held for sale	8.906	8.905
Transmission rights and TV programs	47.712	47.046
Other non-current assets	4.178	4.143
Deferred income tax assets	3.969	3.653
	<u>291.991</u>	<u>290.393</u>
CURRENT ASSETS:		
Transmission rights and TV programs	5.261	8.842
Inventories	4.563	4.535
Trade and other account receivable	87.247	81.503
Other current assets	70.401	55.679
Cash and cash equivalents	6.824	7.172
	<u>174.296</u>	<u>157.731</u>
TOTAL ASSETS	<u><u>466.287</u></u>	<u><u>448.124</u></u>
EQUITY, MINORITY INTEREST AND LIABILITIES		
EQUITY:		
Share capital	89.584	89.584
Reserves	22.662	22.333
Profit for the period	5	19.831
Equity attributable to equity holders	<u>112.251</u>	<u>131.748</u>
Equity attributable to minority interest	<u>5.502</u>	<u>5.807</u>
Total Equity	<u><u>117.753</u></u>	<u><u>137.555</u></u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	126.733	112.597
Provisions for other risks and charges	7.241	7.308
Other non-current liabilities	30.525	30.682
Deferred income tax liabilities	1.613	23
	<u>166.112</u>	<u>150.610</u>
CURRENT LIABILITIES:		
Borrowings	22.060	15.659
Trade and other payables	83.003	80.786
Other current liabilities	74.799	62.053
Derivative financial instruments	2.560	1.461
	<u>182.422</u>	<u>159.959</u>
Total liabilities	<u><u>348.534</u></u>	<u><u>310.569</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>466.287</u></u>	<u><u>448.124</u></u>



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2009

AND 31 MARCH 2008

(Amounts stated in Euro thousand)

	<u>31.03.2009</u>	<u>31.03.2008</u>
<u>CONTINUED OPERATIONS</u>		
<u>OPERATING REVENUES:</u>		
Advertising revenues	29.993	37.239
Subscriptions and newsstand revenue	-	1.400
Other operating revenue	28.658	13.837
Total operating revenue	<u>58.651</u>	<u>52.476</u>
<u>OPERATING EXPENSES:</u>		
Broadcasting costs and cost of good sold	(9.052)	(7.844)
Subcontrats and third party supplies	(26.686)	(21.732)
Payroll expenses	(16.047)	(13.992)
Depreciation and amortization	(2.960)	(2.704)
Provisions and impairment losses	(193)	(218)
Other operating expenses	(771)	(446)
Total operating expenses	<u>(55.709)</u>	<u>(46.936)</u>
Net operating profit	<u>2.942</u>	<u>5.540</u>
<u>FINANCIAL EXPENSES:</u>		
Financial expenses, net	(2.609)	(1.169)
Losses on associated companies, net	16	36
	<u>(2.593)</u>	<u>(1.133)</u>
Profit before tax	<u>349</u>	<u>4.407</u>
Income tax expense	(102)	(1.341)
Consolidated net profit for continued operations	<u>247</u>	<u>3.066</u>
Result for discontinued operations	-	945
Profit result for the period	<u>247</u>	<u>4.011</u>
Attributable to:		
Equity holders of the parent	5	3.993
Minority interest	<u>242</u>	<u>18</u>



GRUPO MEDIA CAPITAL, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2009 AND 2008

(Amounts stated in Euro thousand)

	<u>31.03.2009</u>	<u>31.03.2008</u>
<u>OPERATING ACTIVITIES:</u>		
Collections from clients	68.344	65.445
Payments to suppliers	(43.347)	(36.165)
Payments to employees	<u>(16.672)</u>	<u>(12.848)</u>
Cash flow from operations	8.325	16.432
Other payments relating to operating activities, net	<u>(14.167)</u>	<u>(11.143)</u>
Cash flows from operating activities (1)	<u>(5.842)</u>	<u>5.289</u>
<u>INVESTING ACTIVITIES:</u>		
Receipts resulting from:		
Fixed assets	83	38
Loan to affiliated companies	<u>7.000</u>	<u>20.000</u>
	<u>7.083</u>	<u>20.038</u>
Payments resulting from:		
Financial investments	-	(632)
Fixed assets	(3.213)	(3.144)
Intangible assets	(120)	-
Loans to affiliated companies	<u>(17.684)</u>	<u>(20.000)</u>
	<u>(21.017)</u>	<u>(23.776)</u>
Cash flows from investing activities (2)	<u>(13.934)</u>	<u>(3.738)</u>
<u>FINANCIAL ACTIVITIES:</u>		
Receipts resulting from:		
Loans obtained	35.037	33.310
Interest and similar income	15	192
	<u>35.052</u>	<u>33.502</u>
Payments resulting from:		
Loans repaid	(13.974)	(35.005)
Leases	(393)	(304)
Interest and related expenses	(908)	(1.348)
Other financial expenses	<u>(349)</u>	<u>(276)</u>
	<u>(15.624)</u>	<u>(36.933)</u>
Cash flows from financing activities (3)	<u>19.428</u>	<u>(3.431)</u>
Variation of cash and equivalents (4) = (1) + (2) + (3)	(348)	(1.880)
Cash and equivalents at the beginning of the year	7.172	5.016
Cash and equivalents at the end of the year	6.824	3.136