



# First nine months results of 2014

**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"> <li>• Leader for the 10th consecutive year</li> <li>• #1 in digital</li> <li>• International presence – more territories, channels, and platforms</li> <li>• TVI24 – record audiences</li> <li>• Leadership as group of channels</li> </ul>
	<ul style="list-style-type: none"> <li>• Novela “Belmonte” – the only Portuguese novela nominated (in October) for an Emmy. This is the third nomination since 2010 for novelas produced by Plural and broadcasted by TVI</li> <li>• International sales of technical services and sceneries to Angola and Spain</li> </ul>
	<ul style="list-style-type: none"> <li>• “Rádio Comercial” - number one radio in Portugal, both in audiences and social networks</li> <li>• MCR with its best audience figures ever</li> </ul>
	<ul style="list-style-type: none"> <li>• First exclusive online emission under subscription – “Casa dos Segredos – Desafio Final”</li> <li>• Maisfutebol awarded with the Online prize by CNID (Sports Journalist Association) and elected by The Guardian as the Portuguese news provider for the World Football Cup</li> <li>• Transmedia contents for the new novela “Mulheres” – website, blogs, facebook, linkedin, pinterest and VOD</li> <li>• “Secret Story 5” – website and social media activation; development of second screen app and widgets;</li> </ul>
	<ul style="list-style-type: none"> <li>• 309 million visits and 2,440 million pageviews</li> <li>• More than 2,100,000 app downloads</li> <li>• David Carreira winner of the MTV European Music Awards for Best Portuguese Act of 2014</li> </ul>

GRUPO MEDIA CAPITAL SGPS, SA  
Sociedade Aberta  
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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 NINE MONTHS RESULTS OF 2014

Media Capital's net income grew by 33% over 9M13 figures, reaching  
€ 7.3 million

- Media Capital's first nine months 2014 EBITDA improved by 5% to € 23.8 million, with a corresponding margin of 18.5%. This performance was chiefly achieved through an increase of advertising, together with decreasing operating costs.
- The Group estimates to have outperformed the market in what advertising is concerned, as the consolidated advertising revenues went up by 14%, whereas the market grew by approximately 12%.
- **TVI** kept the leadership in TV audiences, with an average share of 23.4% and 26.6% in all day and prime time respectively. The positive gap over the second most watched channel was 4.2pp in all day and 3.0pp in prime time, which compares with 2.8pp and 0.5pp in the same period of last year. TVI leadership was also maintained when analyzing groups of channels, with 25.5% in all day and 28.2% in prime time, i.e. respectively 2.9pp and 1.7pp above the second largest group of channels.
- On financial grounds, the **TV** segment posted an EBITDA of € 19.7 million and a margin of 18.7%, with advertising going up by 15%.
- The **Audiovisual Production** segment had a substantial improvement of its profitability, with an EBITDA of € 0.5 million (vs. € -2.8 million in 9M13), following the conclusion of restructuring that was initiated in 2013.
- The **Radio's** EBITDA was € 2.8 million until September (improving 45% YoY), which corresponds to a margin of 24.1%. In the latest audience data available for 2014, Rádio Comercial improved its status as #1 radio station, whereas the MCR's aggregate group of radios had its best audience share ever (35.4%).
- In **Digital**, the innovation achieved in solutions and contents were paramount in allowing this area to have a relevant boost of advertising revenues and to improve its net positive contribution to the Group's EBITDA.

Queluz de Baixo, October 24<sup>th</sup>, 2014



## 1. Consolidated P&L

€ thousand	9M 2014	9M 2013	% Var	Q3 2014	Q3 2013	% Var
<b>Total operating revenue</b>	<b>128,341</b>	<b>129,518</b>	<b>-1%</b>	<b>39,383</b>	<b>42,162</b>	<b>-7%</b>
Television	104,984	103,116	2%	32,041	33,055	-3%
Audiovisual Production	29,405	30,750	-4%	9,180	11,347	-19%
Radio	11,405	10,294	11%	3,601	3,222	12%
Others	13,072	14,507	-10%	4,032	5,579	-28%
Consolidation Adjustments	(30,525)	(29,150)	-5%	(9,471)	(11,041)	14%
<b>Total operating expenses ex-D&amp;A</b>	<b>104,553</b>	<b>106,940</b>	<b>-2%</b>	<b>33,737</b>	<b>36,179</b>	<b>-7%</b>
<b>EBITDA</b>	<b>23,788</b>	<b>22,578</b>	<b>5%</b>	<b>5,647</b>	<b>5,983</b>	<b>-6%</b>
<b>EBITDA Margin</b>	<b>18.5%</b>	<b>17.4%</b>	<b>1.1pp</b>	<b>14.3%</b>	<b>14.2%</b>	<b>0.1pp</b>
Television	19,654	22,879	-14%	4,234	6,006	-30%
Audiovisual Production	516	(2,794)	N/A	342	(116)	N/A
Radio	2,753	1,904	45%	738	308	140%
Others	382	1,128	-66%	(86)	(65)	-32%
Consolidation Adjustments	483	(539)	N/A	419	(150)	N/A
Depreciation and amortisation	6,439	7,185	-10%	2,109	2,276	-7%
<b>Operating income (EBIT)</b>	<b>17,349</b>	<b>15,393</b>	<b>13%</b>	<b>3,538</b>	<b>3,707</b>	<b>-5%</b>
Financial Results	(6,218)	(6,556)	5%	(1,773)	(2,519)	30%
<b>Profit / (Loss) before inc. tax/ no contrl. Inl</b>	<b>11,131</b>	<b>8,837</b>	<b>26%</b>	<b>1,765</b>	<b>1,188</b>	<b>48%</b>
Income Tax	(3,793)	(3,331)	-14%	(1,520)	(1,135)	-34%
<b>Profit / (Loss) from continued operations</b>	<b>7,337</b>	<b>5,506</b>	<b>33%</b>	<b>244</b>	<b>54</b>	<b>354%</b>
<b>Net profit / (loss) for the period</b>	<b>7,337</b>	<b>5,506</b>	<b>33%</b>	<b>244</b>	<b>54</b>	<b>354%</b>

In the first nine months of 2014, Media Capital registered **consolidated operating revenues** of € 128.3 million, decreasing 1% YoY, notwithstanding the increase of advertising revenues. In the third quarter, the YoY variation was -7%, with advertising increasing by 9%.

**Consolidated opex** in 9M14 was down 2%, while in 3Q14 the decrease was 7%, mainly due to the AV Production segment.

**Consolidated EBITDA** was € 23.8 million, with a margin of 18.5%. This represents a 5% improvement on a YoY comparison. In 3Q14, EBITDA was 5.6 million, with the margin reaching 14.3%.

**Consolidated EBIT** reached € 17.3 million (which compares with € 15.4 million in 9M13), while **net profit** was € 7.3 million (33% increase YoY). In 3Q14, net profit was € 190 thousand above the comparable period.

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€ thousand	9M 2014	9M 2013	% Var	Q3 2014	Q3 2013	% Var
<b>Operating revenue</b>	<b>128,341</b>	<b>129,518</b>	<b>-1%</b>	<b>39,383</b>	<b>42,162</b>	<b>-7%</b>
Advertising	81,385	71,301	14%	24,747	22,758	9%
Other revenues	46,956	58,217	-19%	14,636	19,405	-25%

In terms of revenues, **advertising** went up by 14%. Media Capital estimates to have outperformed the market, which should have grown by 12%. In the Television segment the increase was 15%, while advertising in the Radio segment rose by 10%. The

Others segment (which includes digital, music and events, the holding and shared services) increased by 12%. In 3Q14, the YoY variations were 9% (Television), 11% (Radio) and -11% (Others). In the quarter, Media Capital should

have also outpaced the market, which should have grown by 8%.

**Other operating revenues**, which comprise mainly the audiovisual production, multimedia and subscription revenues, were down by 19% in

9M14 and by 25% in 3Q14, mostly driven by multimedia services in the Television segment. Such reduction was due to the impact of the sector's self-regulation in what regards TV shows whose main revenue stream comes from calls.

## 2. Television

€ thousand	9M 2014	9M 2013	Var %	Q3 2014	Q3 2013	Var %
<b>Operating revenue</b>	<b>104,984</b>	<b>103,116</b>	<b>2%</b>	<b>32,041</b>	<b>33,055</b>	<b>-3%</b>
Advertising	68,351	59,527	15%	20,834	19,064	9%
Other revenues	36,633	43,589	-16%	11,208	13,991	-20%
<b>Operating Expenses, ex D&amp;A</b>	<b>85,330</b>	<b>80,237</b>	<b>6%</b>	<b>27,807</b>	<b>27,049</b>	<b>3%</b>
<b>EBITDA</b>	<b>19,654</b>	<b>22,879</b>	<b>-14%</b>	<b>4,234</b>	<b>6,006</b>	<b>-30%</b>
EBITDA margin	18.7%	22.2%	-3.5pp	13.2%	18.2%	-5.0pp
Depreciation and amortisation	2,662	3,077	-13%	868	956	-9%
<b>Operating income (EBIT)</b>	<b>16,992</b>	<b>19,802</b>	<b>-14%</b>	<b>3,366</b>	<b>5,050</b>	<b>-33%</b>

Considering the aggregate groups of channels of each operator, TVI achieved a share of 25.5% in all day and 28.2% in prime time, again being the number one player.

All Day (%)	UNIVERSE	ADULTS
<b>TVI channels</b>	<b>25,5</b>	<b>26,2</b>
SIC channels	22,6	23,1
RTP channels	19,4	20,4

  

Prime Time (%)	UNIVERSE	ADULTS
<b>TVI channels</b>	<b>28,2</b>	<b>28,7</b>
SIC channels	26,5	26,9
RTP channels	18,3	19,2



In terms of individual channels, TVI generalist channel confirmed its #1 position, with a share of 23.4% in all day (4.2pp above the second position), according to GfK. TVI is also the undisputed leader in the main commercial target – individuals with 15-years of age and older (Adults) -, where it registered 24.1%, which is equivalent to a positive advantage of 4.4pp and 7.4pp over the main two competitors.

In prime time, TVI also ranked in the first place, with a share of 26.6%, meaning a 3.0 pp lead over the next channel. In the main commercial

target (Adults), TVI also lead, with a 26.6% share, 3pp more than the second most watched channel. In the Adults commercial target, TVI posted a share of 27.1%, thus clearly ahead of the second (24.0%) and third (16.1%) most watched channels.

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 increased by 2% (-3% YoY in the quarter).

**Advertising revenues** were up 15% versus last year (9% in 3Q14). Media Capital estimates the FTA (free-to-air) advertising market to have improved by 11% in the first nine months of the year (6% YoY in the quarter). Estimates for the Pay TV advertising market are of a 19% increase (September Ytd).

On the other hand, **other revenues**, which essentially include subscription rights and multimedia services, were down 16% (-20% in the quarter). Such reduction was due to the impact of the sector's self-regulation in what regards TV shows whose main revenue stream comes from calls.

**Opex** rose 6% on a YoY comparison in 9M13 (3% in 3Q14). On this regard, and having into consideration an expected improvement in the advertising market, TVI adjusted its programming costs, with more impact on entertainment and local production, while there was also an increase in costs related to multimedia services.

The combined evolution of revenues and costs resulted in an **EBITDA** of € 19.7 million, which compares with € 22.9 million in 9M13 (-14%), with a margin of 18.7%. 3Q EBITDA reached € 4.2 million (€ 6.0 million in 3Q13).



### 3. Audiovisual Production

€ thousand	9M 2014	9M 2013	Var %	Q3 2014	Q3 2013	Var %
<b>Operating revenue</b>	<b>29,405</b>	<b>30,750</b>	<b>-4%</b>	<b>9,180</b>	<b>11,347</b>	<b>-19%</b>
Advertising	0	0	0%	0	0	0%
Other revenues	29,405	30,750	-4%	9,180	11,347	-19%
<b>Operating Expenses, ex D&amp;A</b>	<b>28,889</b>	<b>33,544</b>	<b>-14%</b>	<b>8,838</b>	<b>11,463</b>	<b>-23%</b>
<b>EBITDA</b>	<b>516</b>	<b>(2,794)</b>	<b>N/A</b>	<b>342</b>	<b>(116)</b>	<b>N/A</b>
EBITDA margin	1.8%	-9.1%	10.8pp	3.7%	-1.0%	4.7pp
Depreciation and amortisation	2,389	2,649	-10%	806	844	-5%
<b>Operating income (EBIT)</b>	<b>(1,873)</b>	<b>(5,443)</b>	<b>N/A</b>	<b>(465)</b>	<b>(960)</b>	<b>52%</b>

The Audiovisual Production segment reached total **operating revenues** of € 29.4 million, thus decreasing 4% (-19% YoY in 3Q).

In Portugal, operating revenues were up by 14% (although decreasing in the quarter), due to the performance of television productions and construction and sale of sceneries, as well as the rendering of technical services (in Portugal and abroad – Spain and Angola).

In the Spanish activity, there was a decrease in operating revenues (both accumulated and in the quarter), which were mostly related with lower orders.

Despite the decrease in revenues, the effort put into reducing the cost base allowed for a considerable improvement in **EBITDA**, which increased from € -2.8 million to € 0.5 million until September. As for 3Q14, EBITDA was € 0.3 million (vs € -0.1 million in 3Q13). This improvement in EBITDA was negatively impacted by restructuring costs booked in the period under analysis, without which the figures would be better.

In September, the movie “Bairro”, coproduced by Plural and TVI, received six nominations from the Portuguese Cinema Academy.

## 4. Radio



€ thousand	9M 2014	9M 2013	Var %	Q3 2014	Q3 2013	Var %
<b>Operating revenue</b>	<b>11,405</b>	<b>10,294</b>	<b>11%</b>	<b>3,601</b>	<b>3,222</b>	<b>12%</b>
Advertising	10,725	9,779	10%	3,416	3,077	11%
Other revenues	680	516	32%	185	144	28%
<b>Operating Expenses, ex D&amp;A</b>	<b>8,652</b>	<b>8,391</b>	<b>3%</b>	<b>2,864</b>	<b>2,914</b>	<b>-2%</b>
<b>EBITDA</b>	<b>2,753</b>	<b>1,904</b>	<b>45%</b>	<b>738</b>	<b>308</b>	<b>140%</b>
EBITDA margin	24.1%	18.5%	5.7pp	20.5%	9.6%	10.9pp
Depreciation and amortisation	1,127	1,103	2%	347	361	-4%
<b>Operating income (EBIT)</b>	<b>1,627</b>	<b>800</b>	<b>103%</b>	<b>390</b>	<b>(53)</b>	<b>N/A</b>

MCR's advertising revenues improved 10% YoY (+11% in the quarter). Other operating revenues soared 32% (+28% in 3Q), mostly due to events.

In this context, opex was up 3% (-2% in 3Q).

Hence, EBITDA was € 2.8 million (+45% YoY), with a margin of 24.1% (+5.7pp). In 3Q, EBITDA was up 140% to € 0.7 million, with a margin of 20.5% (+10.9pp).

In the meantime, the audience data continues to underline the outstanding performance of the formats explored by MCR.

Indeed, the aggregate radio stations owned by Grupo Media Capital registered, in the fourth of five annual audience measures, an audience share of 35.4%, leading the sector now with its

best result ever. The performance of Rádio Comercial was quite positive, as it kept being the #1 radio with a share of 24.1%, thus improving by 1.1pp versus the comparable reading of 2013 and 2.5pp above the closest competitor.

In turn, m80 – the 70's, 80's e 90's hits radio – had a share of 5.5%. 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 6.4%), thus keeping the leadership amongst the radio stations whose main target are the youngsters.

At the end of June, Cidade lost the surname "FM" as one of the several measures taken to improve its positioning. More modern and urban, the new Cidade is now closer to youngsters.

## 5. Others



€ thousand	9M 2014	9M 2013	Var %	Q3 2014	Q3 2013	Var %
<b>Operating revenue</b>	<b>13,072</b>	<b>14,507</b>	<b>-10%</b>	<b>4,032</b>	<b>5,579</b>	<b>-28%</b>
Advertising	2,429	2,160	12%	600	671	-11%
Other revenues	10,643	12,347	-14%	3,432	4,908	-30%
<b>Operating Expenses, ex D&amp;A</b>	<b>12,690</b>	<b>13,379</b>	<b>-5%</b>	<b>4,118</b>	<b>5,644</b>	<b>-27%</b>
<b>EBITDA</b>	<b>382</b>	<b>1,128</b>	<b>-66%</b>	<b>(86)</b>	<b>(65)</b>	<b>-32%</b>
EBITDA margin	2.9%	7.8%	-4.9pp	-2.1%	-1.2%	-1.0pp
Depreciation and amortisation	262	356	-27%	87	115	-24%
<b>Operating income (EBIT)</b>	<b>120</b>	<b>772</b>	<b>-84%</b>	<b>(173)</b>	<b>(180)</b>	<b>4%</b>

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 its page views, visits and download indicators.

As an example, TVI kept its leadership in the first nine months of the year, with a share of 46% in

visits and 41% in page views, in both cases considering the universe of FTA TV sites.

MCD continued to innovate and improve its digital contents, already available in multiple platforms (Apple, Nokia, Android, Windows 8 and Samsung) and devices (smartphones, tablets and smart TV's), having so far developed over 20 apps to several of the Group's brands, and accounting for more than 2.1 million downloads.

In the Music segment, Tony Carreira, represented by Farol, was awarded in the 2014 edition of the World Music Awards as the "World Best Selling Portuguese Artist", while in October, David Carreira, also represented by Farol, won the MTV European Music Awards for Best Portuguese Act. Leader in the compilation market in Portugal, Farol launched four new compilations with music

from acknowledged Portuguese and foreign artists.

In Events, we highlight the most successful event in Algarve's summer – "MEO Spot", which lasted for 30 nights.

**Advertising revenues** were up by 12% YoY (-11% in 3Q14) benefiting from a significant growth in some of the projects, while **other revenues** registered a negative performance (-14% in 9M14 and -30% in 3Q14).

The **EBITDA** of the segment was positive by € 382 thousand, which compares to € 1.1 million in the first nine months of 2013. In 3Q14, the absolute variation was less expressive (€ -65 thousand vs € -86 thousand in 3Q13).



## 6. Cash Flow

€ thousand	9M 2014	9M 2013	Var %	Q3 2014	Q3 2013	Var %
Receipts	161,404	165,247	-2%	47,534	57,873	-18%
Payments	(162,698)	(165,003)	1%	(55,292)	(58,121)	5%
<b>Cash flows op. activities (1)</b>	<b>(1,294)</b>	<b>244</b>	<b>N/A</b>	<b>(7,758)</b>	<b>(248)</b>	<b>-3031%</b>
Receipts	2,835	7,557	-62%	1,176	5,055	-77%
Payments	(6,777)	(3,596)	-88%	(2,959)	(323)	-817%
<b>Cash flows inv. activities (2)</b>	<b>(3,941)</b>	<b>3,961</b>	<b>N/A</b>	<b>(1,783)</b>	<b>4,733</b>	<b>N/A</b>
Receipts	256,293	84,729	202%	206,350	21,635	854%
Payments	(253,541)	(96,817)	-162%	(196,167)	(25,766)	-661%
<b>Cash flows fin. activities (3)</b>	<b>2,752</b>	<b>(12,088)</b>	<b>N/A</b>	<b>10,183</b>	<b>(4,131)</b>	<b>N/A</b>
Cash at the beginning of the period	5,237	10,790	-51%	2,106	2,534	-17%
Variation of cash (4) = (1) + (2) + (3)	(2,484)	(7,882)	68%	642	353	82%
Effect of FX variations	(2)	(25)	93%	3	(4)	N/A
<b>Cash at the end of the period</b>	<b>2,751</b>	<b>2,884</b>	<b>-5%</b>	<b>2,751</b>	<b>2,884</b>	<b>-5%</b>

**Cash flow from operating activities** was € -1.3 million, which compares with € 0.2 million in the first nine months of 2013. It is worth pointing out that following the recent refinancing process, and with the aim of reducing the financing costs, Media Capital replaced the amount it had in factoring with a cheaper source of funds, in this case by including the same amount in the overall bond issue. Despite the value accretive of such move, it had a one-off negative impact in this line of the cash flow statement of € 8.6 million.

Due to seasonal effects and the commercial policy, the Group should substantially improve the cash flow from operating activities in the last quarter of the year.

**Cash flow from investing activities** was € -3.9 million, which compares with € 4.0 million in 9M13. The cash outflow related with tangible and intangible assets was € -3.6 million, thus signalling the Group's effort in having capex under strong scrutiny.

**Cash flow from financing activities** amounted to € 2.8 million, reflecting the movements of both operating and investing activities, as well as the dividends paid out (€ 9.8 million) and the lower level of cash and equivalents vs. the end of the of 2013.





## 7. Net Debt

€ thousands	Sep 14	Dec 13	Abs Var	% Var
<b>Dívida financeira*</b>	<b>129,817</b>	<b>119,446</b>	<b>10,371</b>	<b>9%</b>
Empréstimos bancários / Papel comercial / Obrigações	128,012	108,304	19,707	18%
Outro endividamento*	1,805	11,141	(9,336)	-84%
<b>Caixa &amp; equivalentes</b>	<b>2,751</b>	<b>5,237</b>	<b>(2,485)</b>	<b>-47%</b>
<b>Dívida líquida*</b>	<b>127,065</b>	<b>114,209</b>	<b>12,857</b>	<b>11%</b>

\*Considering the amount of factoring used at the end of December 2013 (€8.6 million)

In what concerns **net debt**, and using a comparable basis (i.e., including the amount of factoring at the end of 2013), it has increased by 11% or € 12.9 million vs. the end of 2013, standing at the end of September at 127.1 million. It is worth mentioning that leasings, in a global amount of € 1.8 million, are included in the figure above.

Thus, Media Capital maintains a comfortable capital structure.

After the end of June, Media Capital SGPS, S.A. announced to the market that it signed with Banco BPI, S.A., an agreement to organize a

private placement (underwritten by BPI) of a bond issue of 7,500 bonds, corresponding to a global amount of € 75,000,000, at a variable rate, and with a maturity of 5 years. The bonds were issued on 14 July 2014.

Such issue is part of the Group's refinancing strategy (meanwhile concluded), with the aim of reducing interest costs and increase the maturity of its debt. At the end of September, the mix of gross debt maturity was 19% short-term and 81% medium/long-term.

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBRE 2014 AND 31 DECEMBER 2013

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>30.09.2014</u>	<u>31.12.2013</u>
<b>NON-CURRENT ASSETS:</b>		
Goodwill	153,568	153,568
Intangible assets	14,312	15,972
Tangible fixed assets	14,305	17,357
Investments in associates	1,712	1,612
Assets held for sale	8	8
Transmission rights and TV programs	45,344	46,469
Other non-current assets	3,760	3,961
Deferred income tax assets	4,608	4,279
	<u>237,616</u>	<u>243,225</u>
<b>CURRENT ASSETS:</b>		
Transmission rights and TV programs	31,525	33,091
Inventories	63	102
Trade and other account receivable	33,217	42,086
Current tax assets	846	127
Other current assets	16,872	10,748
Cash and cash equivalents	2,751	5,237
	<u>85,275</u>	<u>91,391</u>
<b>TOTAL ASSETS</b>	<u><u>322,891</u></u>	<u><u>334,616</u></u>
<hr/> <b>EQUITY AND LIABILITIES</b> <hr/>		
<b>EQUITY:</b>		
Share capital	89,584	89,584
Reserves	28,957	25,261
Profit for the period	7,337	13,683
Equity attributable to controlling interests	<u>125,878</u>	<u>128,529</u>
Total Equity	<u>125,878</u>	<u>128,529</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Borrowings	104,687	77,566
Provisions	6,628	6,602
Deferred income tax liabilities	1,478	1,478
	<u>112,794</u>	<u>85,647</u>
<b>CURRENT LIABILITIES:</b>		
Borrowings	25,129	33,241
Trade and other payables	35,039	45,442
Current tax liabilities	18	1,159
Other current liabilities	24,033	40,598
	<u>84,219</u>	<u>120,440</u>
Total liabilities	<u>197,013</u>	<u>206,087</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>322,891</u></u>	<u><u>334,616</u></u>

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
30 SEPTEMBRE 2014 AND 2013
(Amounts stated in Euro thousand)

	9 months ended		3 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
<b><u>OPERATING REVENUES:</u></b>				
Services rendered	90,717	84,459	27,782	27,637
Sales	188	991	14	273
Other operating revenue	37,435	44,067	11,587	14,253
Total operating revenue	<u>128,341</u>	<u>129,518</u>	<u>39,383</u>	<u>42,162</u>
<b><u>OPERATING EXPENSES:</u></b>				
Cost of programs broadcasted and goods sold	(19,137)	(20,371)	(5,770)	(5,120)
Subcontrats and third party supplies	(48,809)	(50,053)	(15,453)	(18,627)
Payroll expenses	(34,916)	(38,147)	(11,556)	(12,519)
Depreciation and amortization	(6,439)	(7,185)	(2,109)	(2,276)
Provisions and impariment losses	(184)	803	(90)	(65)
Other operating expenses	(1,507)	828	(868)	152
Total operating expenses	<u>(110,992)</u>	<u>(114,124)</u>	<u>(35,846)</u>	<u>(38,455)</u>
Net operating profit	<u>17,349</u>	<u>15,393</u>	<u>3,538</u>	<u>3,707</u>
<b><u>FINANCIAL EXPENSES:</u></b>				
Financial expense	(6,605)	(7,148)	(2,066)	(2,492)
Financial income	293	546	222	25
Finance costs, net	(6,311)	(6,602)	(1,844)	(2,467)
Gains (losses) on associated companies, net	93	45	71	(52)
Profit before tax	<u>11,131</u>	<u>8,837</u>	<u>1,765</u>	<u>1,188</u>
Income tax expense	(3,793)	(3,331)	(1,520)	(1,135)
Consolidated net profit for continued operations	<u>7,337</u>	<u>5,506</u>	<u>244</u>	<u>54</u>
Attributable to:				
Equity holders of the parent	7,337	5,506	244	54
<b>Earnings per share (Euros)</b>				
Basic	0.0868	0.0651	0.0029	0.0006
Diluted	<u>0.0868</u>	<u>0.0651</u>	<u>0.0029</u>	<u>0.0006</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBRE 2014 AND 2013

(Amounts stated in Euro thousand)

	<u>30.09.2014</u>	<u>30.09.2013</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	161,404	165,247
Cash paid to suppliers	(89,944)	(82,703)
Cash paid to employees	(34,824)	(38,950)
Cash generated from operations	36,637	43,594
Cash received/(paid) relating to income tax	(1,422)	(9,709)
Other cash received/(paid) relating to operating activities	(36,509)	(33,641)
Net cash from operating activities (1)	<u>(1,294)</u>	<u>244</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
Disposal of fixed tangible and intangible assets	893	48
Investment subsidies	5	-
Interest and similar income	119	607
Loans granted	1,818	6,876
	<u>2,835</u>	<u>7,557</u>
Payments resulting from:		
Business concentrations	(294)	-
Acquisition of tangible assets	(3,024)	(2,101)
Acquisition of intangible assets	(544)	-
Loans granted	(2,914)	(1,494)
	<u>(6,777)</u>	<u>(3,596)</u>
Net cash from /(used in) investing activities (2)	<u>(3,941)</u>	<u>3,961</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	<u>256,293</u>	<u>84,729</u>
Cash paid relating to:		
Borrowings	(236,316)	(77,923)
Leases	(995)	(968)
Interest and other similar expenses	(3,724)	(5,123)
Dividends	(9,804)	(11,325)
Other financial expenses	(2,703)	(1,478)
	<u>(253,541)</u>	<u>(96,817)</u>
Net cash from/(used in) financing activities (3)	<u>2,752</u>	<u>(12,088)</u>
Cash and equivalents at the beginning of the period	5,237	10,790
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(2,484)	(7,882)
Exchange rate effect	(2)	(25)
Cash and equivalents at the end of the period	2,751	2,884