First Half 2013 Results

Grupo Media Capital, SGPS, S.A.

NOTE:
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- Maintenance of audience leadership by TVI in all-day and prime-time
- TVI is also the leading TV website
- Debut of the new channel +TVI in January
- TVI Internacional and TVI24 increase their presence in new countries and platforms
- TVI 24 with its best semester ever in audiences.

- Plural is the leading drama producing company in Portugal
- The internationalization of technical services and building of scenarios has continued
- Movie "Bairro" is the second most watched Portuguese film premiered in Portugal in 2013.

- MCR's group of radios with almost 2.3 million listeners
- Rádio Comercial consolidates its #1 position, with a reach of 15.1% (share of audience of 20.3%)
- Rádio Comercial awarded with "Prémio Marketeer" and considered the Portuguese radio with the highest reputation index (Marktest Reputation Index) and ranked number 6 brand among all Portuguese brands.

- Big Brother VIP: new site, app for Windows 8 and app for MEO (pay-tv)
- Interactive app for the TVI program "A Tua Cara Não Me é Estranha"
- "Mais Futebol" brand is media partner of Guimarães 2013 (European Sports City of 2013)
- Establishment of a partnership with Goodlife for the project Planeo.pt
- Establishment of a partnership with OLX for advertising sales
- New site Spot+.

- Over 1 million downloads of the various apps available
- Facebook: over 4 million fans on Media Capital's various Facebook pages
- Media Capital with more than 5.9 million monthly unique browsers in the first half (+9% vs. 2012)

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FIRST HALF 2013 RESULTS

Media Capital registered an EBITDA of € 16.6 million

- Notwithstanding the impact of the negative economic framework in the advertising market (which is estimated to have decreased by 17% until May – June data is not available yet), Media Capital's operating revenues came down only 4% against the comparable period, benefiting from the Group's strategy to develop revenue sources complementary to advertising.

- Net profit improved by 35% vs. 1H'12, due also to lower financial costs.

- According to Marktest/Kantar Media, **TVI** continued to rank number one in TV audiences, registering an average audience share of 26.9% and 29.4%, in all-day and prime-time respectively. TVI continues to invest in the best contents, having launched its newest channel, +TVI, in January, while expanding TVI Internacional and TVI24's geographic presence. On the financial front, the TV segment had an EBITDA of € 16.9 million (24.1% margin), representing an increase of 50% when compared with the first half of 2012, benefiting from a good performance of revenues and cost control.

- As a result of a lower number of productions, the **Audiovisual Production** segment obtained an EBITDA of € -2.7 million. The construction of sceneries and sale of technical services have successfully intensified Plural Entertainment's internationalization process. The Group expects in the following quarters to increase the number of productions. Coupled with the implementation of efficiency enhancing measures, this should translate into an improvement of this segment's operating performance going forward.

- The EBITDA of the **Radio** segment was € 1.6 million from January to June, with a margin of 22.6%. The main highlight refers to the continuing growing trend in what advertising share is concerned, as a result of the good performance in audience share and reach. As such, MCR's advertising revenues were up 2%. According to the latest data available for 2013, the radio station Rádio Comercial kept ranking as number one, with a reach of 15.1% (corresponding to an audience share of 20.3%).

- In **Digital**, the improvements in contents and commercial offer, coupled with a tight cost control, had a positive impact for the Group's operating performance at the consolidated level.

Queluz de Baixo, July 23, 2013

1. Consolidated P&L

€ thousand	1H 2013	1H 2012	% Var	Q2 2013	Q2 2012	% Var
Total operating revenue	**87,355**	**90,918**	**-4%**	**48,099**	**50,874**	**-5%**
Television	70,061	69,248	1%	38,932	39,795	-2%
Audiovisual Production	19,403	28,871	-33%	9,209	13,536	-32%
Radio	7,072	6,957	2%	3,885	3,971	-2%
Others	8,928	9,991	-11%	4,543	4,994	-9%
Consolidation Adjustments	(18,109)	(24,149)	25%	(8,469)	(11,422)	26%
Total operating expenses ex-D&A	**70,761**	**74,341**	**-5%**	**34,625**	**38,510**	**-10%**
EBITDA	**16,595**	**16,578**	**0%**	**13,475**	**12,364**	**9%**
EBITDA Margin	**19.0%**	**18.2%**	**0.8pp**	**28.0%**	**24.3%**	**3.7pp**
Television	16,873	12,659	33%	13,328	10,228	30%
Audiovisual Production	(2,678)	3,052	N/A	(1,460)	966	N/A
Radio	1,596	1,166	37%	1,168	1,043	12%
Others	1,193	(14)	N/A	530	102	420%
Consolidation Adjustments	(389)	(285)	-37%	(93)	24	N/A
Depreciation and amortisation	4,909	5,684	-14%	2,354	2,854	-18%
Operating income (EBIT)	**11,686**	**10,894**	**7%**	**11,120**	**9,509**	**17%**
Financial Results	(4,037)	(4,617)	13%	(2,258)	(2,048)	-10%
Profit / (Loss) before inc. tax/ no contrl. In	**7,648**	**6,276**	**22%**	**8,863**	**7,462**	**19%**
Income Tax	(2,196)	(2,224)	1%	(2,562)	(2,455)	-4%
Profit / (Loss) from continued operations	**5,452**	**4,053**	**35%**	**6,301**	**5,007**	**26%**
Net profit / (loss) for the period	**5,452**	**4,053**	**35%**	**6,301**	**5,007**	**26%**

In the first half of 2013, Media Capital registered **consolidated operating revenues** of € 87.4 million, decreasing 4% YoY, with the Group managing to almost completely offset the impacts stemming from the decreasing advertising market with other recurrent revenue sources. In the second quarter, the YoY variation was -5%.

Consolidated opex was down by 5% (10% in the quarter), albeit it is worth highlighting that the variation of intragroup adjustments, chiefly between TVI and Plural, had an opposite impact. As a matter of fact, as over the last year the volume of intragroup audiovisual production sold by Plural to TVI was greater than in the current year, the opex (as well as revenues) cancelled this year was lower, therefore generating an increase in overall costs. Without this effect, the consolidated opex would have decreased even more versus the comparable period.

Consolidated EBITDA was stable at € 16.6 million, with the margin expanding by 0.8pp to 19.0%. In Q2, the margin was also up (from 24.3% to 28.0%, i.e. +3.7pp).

Consolidated EBIT reached € 11.7 million (€ 10.9 million in 1H'12), whereas **net profit** was € 5.5 million (€ 4.1 million in 1H'12), benefiting also from better financial results.
In the quarter, EBIT improved by 17% towards € 11.1 million, while net profit increased by 26% to € 6.3 million.

€ thousand	1H 2013	1H 2012	% Var	Q2 2013	Q2 2012	% Var
Operating revenue	**87,355**	**90,918**	**-4%**	**48,099**	**50,874**	**-5%**
Advertising	48,543	57,598	-16%	26,183	32,306	-19%
Other revenues	38,812	33,320	16%	21,916	18,567	18%

Regarding operating performance, and in terms of revenues, **advertising** fell by 16%, mostly due to the TV segment, with registered a decrease of 18%. On the contrary, in the Radio segment there was an increase (2%), while in the Others segment advertising revenues decreased by 4%. In the April-June period, advertising revenues dropped 19% YoY (TV -22%, Radio -3% and Others +3%). It is worth highlighting that in Q2'12 the Euro 2012 had an extra impact in advertising revenues, thus making last year's Q2 data a harder than usual base of comparison.

As regards the **advertising market**, it is estimated a decrease of 17% until May (June data is not available yet), in terms of agencies and before rappel discounts.

Other operating revenues were up by 16% YoY, thanks to the Television segment that compensated a worse performance by Audiovisual Production. Same logic applies to the YoY quarterly variation. Adding up to these effects there is also the already mentioned impact of intragroup adjustments related with the sale of audiovisual production (between Plural and TVI).

2. Television

€ thousand	1H 2013	1H 2012	Var %	Q2 2013	Q2 2012	Var %
Operating revenue	**70,061**	**69,248**	**1%**	**38,932**	**39,795**	**-2%**
Advertising	40,463	49,574	-18%	21,723	27,795	-22%
Other revenues	29,598	19,674	50%	17,209	11,999	43%
Operating Expenses, ex D&A	**53,188**	**56,590**	**-6%**	**25,604**	**29,567**	**-13%**
EBITDA	**16,873**	**12,659**	**33%**	**13,328**	**10,228**	**30%**
EBITDA margin	24.1%	18.3%	5.8pp	34.2%	25.7%	8.5pp
Depreciation and amortisation	2,121	2,826	-25%	990	1,371	-28%
Operating income (EBIT)	**14,752**	**9,833**	**50%**	**12,338**	**8,857**	**39%**

According to Marktest/Kantar Media, TVI continued to lead FTA audience shares in Portugal, both in all-day and in prime-time, registering an average audience of 26.9% and 29.4% respectively.

1H 2013	All-Day (%)	Prime-Time (%)
RTP1	16.4	13.3
RTP2	2.1	2.0
SIC	22.8	27.3
TVI	**26.9**	**29.4**
Cable / Others	31.8	28.1

Source: Marktest /Kantar Media

In the first half of the year, and in terms of **entertainment**, TVI aired the 3rd season of "A Tua Cara Não Me É Estranha" that registered a share of 37.9%, making it the most successful entertainment show so far this year.

Also in 1H'13 it is worth highlighting the reality show "Big Brother VIP", first aired on the 21th of April. Sunday editions (i.e. the weekly gala) registered an average audience of over one million and one hundred viewers and a share of 33.9%, thus being the undisputed leader in its time slot. The daily edition had an audience of almost 1.2 million.

Regarding weekday morning and afternoon entertainment shows, TVI's programming continues ahead of competition, with a great lead. In the mornings, "Você na TV" posted a share of 34.4%, whereas in the afternoons, "A Tarde É Sua", also led, with a share of 23.9%.

On weekend afternoons, and besides the formats mentioned above, TVI's entertainment also included the show "Não Há Bela Sem João" (on Saturdays) and "Somos Portugal" (Sundays). Both were again leaders in their respective time slots (25.8% share for the first and 32.5% for the latter).

In **local drama**, TVI renewed its evening offer of novelas, with the debut (in January) of "Destinos Cruzados", which posted a share of 31.1%. In April TVI "Mundo ao Contrário" premiered, having a share of 29.4% since then and leading its time slot.

In the January-June period, TVI's **news programming** maintained as the most viewed of this genre: at lunch time, "Jornal da Uma" ranked number one, with a share of 29.5% and a gap vs. the second player of 7,5pp. At dinner time (8:00pm), "Jornal das 8" also was the most watched one, with a share of 27.2%.

As for **sports**, in May the 2012/2013 Champions League came to an end. For the total of matches that were broadcasted (15), the average share was 41.2% de quota (50.7% in males).

TVI24, TVI's news channel, improved its relative position. Considering the three Portuguese news channels available in pay-tv, TVI24 got a share of 25.0%. Such figure improves up to 26.7% when taking into consideration the period when news is most watched (7pm to 1am). This represents an increase of 18% and 11%, respectively, vs. the comparable period of last year.

In this period, TVI continued to strengthen its bouquet of channels, having launched +TVI on January 25th. This channel is mostly focused on entertainment and is distributed exclusively through the pay-tv platform ZON. We recall that TVI Ficção, focused on drama, and available only in MEO's pay-tv offering, was first aired on October 2012.

Notwithstanding the lower addressable audience available for each of these channels when compared with other channels, both of them show interesting figures, with 250 thousand daily viewers in June for TVI Ficção (share of 0.5%) and 87 thousand (0.1%) for +TVI.

The first half of 2013 was especially important for TVI Internacional, as it both entered in new markets and reinforced its presence in some countries/regions where it was already present. These were the case of Spain, France, Luxembourg, New Zealand, Australia and USA.

TVI Internacional is nowadays available through several platforms in four continents, in the following countries: Angola, Luxembourg, Andorra, France, Mozambique, Monaco, Switzerland, Spain, New Zealand, Australia and USA.

GROUP OF CHANNELS

Analysing all of TVI's channels on aggregate and applying the same logic for the remaining top competitors, the conclusion is that TVI's group of channels also led the first six months of 2013, with an average share of 29.1% in all-day and 31.2% in prime-time, according to data from Marktest Audimetria/Kantar Media.

Total share	All-Day (%)	Prime-Time (%)
TVI Family	**29.1**	**31.2**
SIC Family	26.8	30.7
RTP Family	20.2	16.9

Source: Marktest /Kantar Media

FINANCIAL PERFORMANCE

In what regards financial performance, and in spite of the difficult economic environment, **operating revenues** in the TV segment increased by 1% (-2% YoY in the quarter).

Advertising revenues were down 18% versus last year (-22% YoY in Q2). Media Capital estimates the FTA (free-to-air) advertising market to have fallen by 17% in the first six months of the year (-22% YoY in the quarter).

On the other hand, **other revenues** were up significantly (+50%. 43% in Q2'13), thus compensating for the poor performance of the advertising market.

Opex was down 6% YoY, resulting from the cost control that was put in place. On this regard, we highlight that TVI cut down its programming costs, mainly in domestic contents, as well as in sports ("Champions League" in 2013 vs. "Superliga" and "Euro 2012" in 2012). Such effort in savings was possible notwithstanding the impact stemming from the two new channels (TVI Ficção and +TVI). As regards the second quarter, opex dropped by 13% YoY, with similar justifications.

It is worth mentioning that a significant portion of TVI's programming costs – local drama – derives from in-house Group productions (Plural), therefore retaining the respective added value.

The combined evolution of revenues and costs resulted in an **EBITDA** of € 16.9 million, which compares with € 12.7 million in 1H'12 (+33%), with the corresponding margin expanding from 18.3% to 24.1% (+5.8pp). Second quarter's EBITDA reached € 13.3 million (+30% YoY), with the margin going up 8.5pp to 34.2%.

3. Audiovisual Production

€ thousand	1H 2013	1H 2012	Var %	Q2 2013	Q2 2012	Var %
Operating revenue	**19,403**	**28,871**	**-33%**	**9,209**	**13,536**	**-32%**
Advertising	0	0	0%	0	0	0%
Other revenues	19,403	28,871	-33%	9,209	13,536	-32%
Operating Expenses, ex D&A	**22,081**	**25,819**	**-14%**	**10,668**	**12,570**	**-15%**
EBITDA	**(2,678)**	**3,052**	**N/A**	**(1,460)**	**966**	**N/A**
EBITDA margin	-13.8%	10.6%	-24.4pp	-15.8%	7.1%	-23.0pp
Depreciation and amortisation	1,804	1,773	2%	879	942	-7%
Operating income (EBIT)	**(4,483)**	**1,279**	**N/A**	**(2,338)**	**24**	**N/A**

The Audiovisual Production segment reached total **operating revenues** of € 19.4 million, thus decreasing by 33%.

In Portugal, operating revenues came down 33% (-36% YoY in the quarter), due to a lower level of TV productions, despite the important increase observed in the international business (rendering of technical services and building of scenarios).

In Spain, there was also a decrease in operating revenues, mostly related with lower orders from generalist TV channels.

As a consequence of the lower activity, **EBITDA** was also negatively affected, having reached € -2.7 million, that compares with € 3.1 million in 1H'12. In Q2, EBITDA reached € -1.5 million (vs. € 1.0 million in Q2'12).

The Group expects in the following quarters to increase the number of productions. Coupled with the implementation of efficiency enhancing measures, this should translate into an improvement of this segment's operating performance going forward.

4. Radio

€ thousand	1H 2013	1H 2012	Var %	Q2 2013	Q2 2012	Var %
Operating revenue	**7,072**	**6,957**	**2%**	**3,885**	**3,971**	**-2%**
Advertising	6,701	6,576	2%	3,682	3,776	-3%
Other revenues	371	381	-3%	203	195	4%
Operating Expenses, ex D&A	**5,477**	**5,791**	**-5%**	**2,717**	**2,928**	**-7%**
EBITDA	**1,596**	**1,166**	**37%**	**1,168**	**1,043**	**12%**
EBITDA margin	22.6%	16.8%	5.8pp	30.1%	26.3%	3.8pp
Depreciation and amortisation	742	805	-8%	370	404	-8%
Operating income (EBIT)	**854**	**361**	**137%**	**798**	**639**	**25%**

Regarding the audiences of the radio market, as of the beginning of 2013 a new methodology was put in place. Amongst the several changes made, it is worth mentioning:

i. the change of the universe of the study "Bareme Rádio", which now reflects the population data according with the 2011 census (with impacts in the following variables: age, occupational groups, and new so-called "Marktest regions");
ii. the change in the period of analysis, going from 4 to 5 reports a year.

Hence, the values now published are not comparable with the ones available until the end of 2012.

Having that in mind, the audience data under the new methodology still emphasizes the good performance achieved by MCR.

The formats explored by MCR had **a reach of 22.6% and a share of 31.7%**, with **Rádio Comercial** standing out, as it kept the leadership **with a reach of 15.1% (and a share of 20.3%)**, equivalent to a 2.6pp difference towards the second most listened to radio station (i.e. +21% listeners).

In turn, among the most listened to radio stations in Portugal, **m80** had an audience reach of 4.7% (share of 6.7%).

Concerning other formats, **Cidade FM** had an audience reach of 3.8% (share of 3.6%), ranking number one amongst youngsters.

As for the radios digital presence, it is worth mention that Radio Comercial maintains its leading position as media brand, ranking number one as the Portuguese brand with more fans on Facebook (over 775 thousand).

Benefiting from the excel audience performance over the last quarters, **advertising revenues** were up 2% YoY. Also following the trend seen in previous quarters, we estimate to continue to be gaining market share, as the market should have decreased by 16% until May (June data is not available yet). In the second quarter, advertising revenues were down 3% YoY, despite representing an outperformance vs. the market.

Other operating revenues fell by 3% YoY (-7% YoY in the quarter). However, the absolute figures are not materially relevant.

Regarding **opex**, it was down 5% (-7% YoY in the quarter), as a result of a constant optimization of MCR's cost structure.

As a consequence, **EBITDA** for this segment was € 1.6 million (improving 37% vs. 1H'12), with a margin of 22.6% (+5.8pp). In Q2, EBITDA reached € 1.2 million (+12% YoY) and the margin was up 3.8pp to 30.1%.

5. Others

€ thousand	1H 2013	1H 2012	Var %	Q2 2013	Q2 2012	Var %
Operating revenue	**8,928**	**9,991**	**-11%**	**4,543**	**4,994**	**-9%**
Advertising	1,489	1,549	-4%	812	788	3%
Other revenues	7,439	8,442	-12%	3,730	4,206	-11%
Operating Expenses, ex D&A	**7,735**	**10,005**	**-23%**	**4,013**	**4,892**	**-18%**
EBITDA	**1,193**	**(14)**	**N/A**	**530**	**102**	**420%**
EBITDA margin	13.4%	-0.1%	13.5pp	11.7%	2.0%	9.6pp
Depreciation and amortisation	242	281	-14%	115	138	-17%
Operating income (EBIT)	**952**	**(295)**	**N/A**	**415**	**(36)**	**N/A**

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

In Digital, the penetration of international players continues to mount, in parallel with the weight of social networks. Despite the increase in the competitive environment, MCD managed to improve the quality and audiences of its network of sites. As an example, TVI kept its leadership in the first half of the year, with a share of 42% in visits (+3.9pp vs. 2012) and 48.6% in page views (+8.5pp vs. 2012), in both cases considering the universe of FTA TV sites.

MCD made great efforts 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 1 million downloads.

In the January-June period, we highlight the following:

- The partnership agreed with Goodlife involving the exploration by the latter of the collective buying website planeo.pt;
- The partnership agreed with OLX – comprising the inclusion of its sites within the ones explored by MCD in terms of advertising;
- The new website Spot+ - a portal that aims at being the number one aggregator of contents available at the social networks of VIP's. Simultaneously with this digital product a TV show was also created;
- TVI 20 anos – a special website within the TVI's website containing content broadcasted by TVI since its inception;
- TVI Economia – integration of the website Agência Financeira within the economy/financial area of TVI24's website;
- Representing un unprecedented innovation in Portugal, the TV program "A Tua Cara Não Me é Estranha" (entertainment) had several interactive apps for iPad, iPhone Android and PC, that allowed viewers to play and actively participated in the program as it was aired;
- Big Brother VIP – A new *site* was developed, entirely oriented towards video, where it was possible to follow in real time all the action of this reality show;
- Big Brother VIP – new *app* for Windows 8 that allowed live viewing 24h a day. Paid app with an trial period;
- Big Brother VIP – interactive app for MEO (pay-tv operator) with many functionalities (e.g. watching best moments, exclusive cameras, voting, access to the program's facebook page, etc);
- Guimarães 2013 – Guimarães is the European Sports City of 2013. MCD's "Mais Futebol" is media partner of the event and is responsible for a special coverage of all the related sports activities.

Advertising revenues were down 4% (+3% YoY in Q2). In spite of the strong performance by some of the projects (mainly the ones of TVI), that was not enough to offset the decrease in other sites and, above all, the negative impact stemming from the new business model associated with the Plano project (although it also affects costs, in this case positively).

The behaviour of **other revenues** (-12%) was due to lower income from music & events, cinema & video and lower activity of B2B in digital.

Opex was down by 23% (-18% YoY in the quarter), resulting from savings across the board, as well as of the lower activity in the various areas / business units, on top of the aforementioned change in the business model of Planeo.

The **EBITDA** of the segment was € 1.2 million (€ 0.5 million in Q2'13), comparing with € 0 million in 1H'12 (€ 0.1 million in Q2'12).

6. Consolidation Adjustments

€ thousand	1H 2013	1H 2012	Var %	Q2 2013	Q2 2012	Var %
Operating revenue	**(18,109)**	**(24,149)**	**25%**	**(8,469)**	**(11,422)**	**26%**
Advertising	(110)	(101)	-9%	(34)	(53)	37%
Other revenues	(17,999)	(24,048)	25%	(8,435)	(11,369)	26%
Operating Expenses, ex D&A	**(17,720)**	**(23,864)**	**26%**	**(8,377)**	**(11,447)**	**27%**
EBITDA	**(389)**	**(285)**	**N/A**	**(93)**	**24**	**N/A**
EBITDA margin	2.1%	1.2%	1.0pp	1.1%	-0.2%	1.3pp
Depreciation and amortisation	0	0	0%	0	0	0%
Operating income (EBIT)	**(389)**	**(285)**	**N/A**	**(93)**	**24**	**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.

7. Cash Flow

€ thousand	1H 2013	1H 2012	Var %	Q2 2013	Q2 2012	Var %
Receipts	107,374	105,627	2%	56,704	61,850	-8%
Payments	(106,882)	(109,339)	2%	(59,927)	(55,928)	-7%
Cash flows op. activities (1)	**492**	**-3,711**	**N/A**	**-3,223**	**5,922**	**N/A**
Receipts	2,502	2,266	10%	487	1,109	-56%
Payments	(3,273)	(4,003)	18%	(1,518)	(838)	-81%
Cash flows inv. activities (2)	**-771**	**-1,737**	**56%**	**-1,031**	**271**	**N/A**
Receipts	63,094	110,115	-43%	34,656	21,717	60%
Payments	(71,051)	(113,522)	37%	(35,240)	(28,093)	-25%
Cash flows fin. activities (3)	**-7,956**	**-3,407**	**-134%**	**-584**	**-6,377**	**91%**
Cash at the begining of the period	10,790	11,813	-9%	7,387	3,141	135%
Variation of cash (4) = (1) + (2) + (3)	(8,235)	(8,856)	7%	(4,838)	(184)	-2525%
Efect of FX variations	(21)	0	0%	(14)	0	0%
Cash at the end of the period	**2,534**	**2,957**	**-14%**	**2,534**	**2,957**	**-14%**

Cash flow from operating activities was € 0.5 million, increasing € 4.2 million when compared with the first six months of 2012. This variation took place mainly with the contribution of the TV and Audiovisual Production segments, notwithstanding the lower activity observed in the latter. Other factor affecting the YoY comparison has to do with a non-recurrent payment (made in 1H'12) totalling € 3.9 million, regarding a litigation process dating from 2003, related to transmitter of the analogue broadcasting network (RETI). Finally, in 2013 operating cash flow was negatively affected by a payment of € 5.3 million related with income tax (advanced payments), something that did not occur in the comparable period.

It is also worth mentioning that the seasonality of the Group's business and the characteristics of the commercial policies have stronger and more favourable impact in cash flow in the second half of the year.

Cash flow from investing activities was € -771 thousand, which compares with € -1.7 million in 1H'12. The cash outflow related with tangible and intangible was € -1.9 million, slightly above the € -1.6 million observed in 1H'12, thus signalling the Group's effort in having capex under strong scrutiny.

Cash flow from financing activities was negative and amounted to € -8.0 million, reflecting the movements of both operating and investing activities, as well as the dividends paid out (€ 11.3 million, vs. € 5.8 million in 2012).

8. Net Debt

€ thousands	Jun 13	Dec 12	Abs Var	% Var
Group financial debt	**120,937**	**113,375**	**7,563**	**7%**
Bank loans / Commercial paper	118,122	110,235	7,887	7%
Other debt	2,815	3,140	(324)	-10%
Cash & equivalents	**2,534**	**10,790**	**(8,256)**	**-77%**
Net debt	**118,403**	**102,584**	**15,819**	**15%**

In what concerns **net debt**, it has increased by 15% or € 15.8 million vs. the end of 2012, standing at the end of June at 118.4 million. It is worth mentioning that leasings, in a global amount of € 2.8 million, are included in the figure above. Financial debt **adjusted** for the loans to Promotora de Informaciones, S.A. **reached € 116.3 million** at the end of the period, comparing with € 99.1 million at the end of last year, thus putting Media Capital in a comfortable capital structure. As referred to in the comments made to the operating cash flow, the seasonality effect as well as the fact that the dividends have already been paid out should translate into a relevant reduction of net debt by the end of the year.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED

30 JUNE 2013 AND 2012

(Amounts stated in Euro thousand)

	6 months ended		3 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
OPERATING REVENUES:				
Services rendered	56,822	68,798	30,368	37,724
Sales	719	1,176	313	544
Other operating revenue	29,814	20,944	17,419	12,607
Total operating revenue	87,355	90,918	48,099	50,874
OPERATING EXPENSES:				
Cost of programs broadcasted and goods sold	(15,251)	(11,909)	(7,715)	(6,400)
Subcontrats and third party supplies	(31,426)	(34,242)	(15,726)	(17,215)
Payroll expenses	(25,629)	(27,148)	(12,244)	(13,288)
Depreciation and amortization	(4,909)	(5,684)	(2,354)	(2,854)
Provisions and impariment losses	868	(465)	186	(1,115)
Other operating expenses	677	(577)	875	(492)
Total operating expenses	(75,669)	(80,025)	(36,979)	(41,364)
Net operating profit	11,686	10,894	11,120	9,509
FINANCIAL EXPENSES:				
Financial expense	(4,656)	(4,953)	(2,405)	(2,361)
Financial income	521	335	104	309
Finance costs, net	(4,135)	(4,617)	(2,301)	(2,052)
Gains (losses) on associated companies, net	97	-	44	4
	(4,037)	(4,617)	(2,258)	(2,048)
Profit before tax	7,648	6,276	8,863	7,462
Income tax expense	(2,196)	(2,224)	(2,562)	(2,455)
Consolidated net profit for continued operations	5,452	4,053	6,301	5,007
Attributable to:				
Equity holders of the parent	5,452	4,053	6,301	5,007
Earnings per share (Euros)				
Basic	0.0645	0.0480	0.0746	0.0592
Diluted	0.0645	0.0480	0.0746	0.0592

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2013 AND 31 DECEMBER 2012

(Amounts stated in Euro thousand)

ASSETS	30.06.2013	31.12.2012
NON-CURRENT ASSETS:		
Goodwill	153,568	153,568
Intangible assets	17,021	18,486
Tangible fixed assets	18,590	21,616
Investments in associates	1,686	1,592
Assets held for sale	8	8
Transmission rights and TV programs	56,897	50,407
Other non-current assets	4,245	4,758
Deferred income tax assets	4,773	4,669
	256,787	255,103
CURRENT ASSETS:		
Transmission rights and TV programs	23,692	29,500
Inventories	141	187
Trade and other account receivable	47,283	40,908
Current tax assets	134	141
Other current assets	16,747	14,653
Cash and cash equivalents	2,534	10,790
	90,531	96,179
TOTAL ASSETS	347,318	351,282
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	89,584	89,584
Reserves	25,153	24,569
Profit for the period	5,452	11,939
Equity attributable to controlling interests	120,189	126,092
Total Equity	120,189	126,092
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	84,184	86,319
Provisions	6,457	7,727
Deferred income tax liabilities	1,598	1,598
	92,239	95,644
CURRENT LIABILITIES:		
Borrowings	36,754	27,056
Trade and other payables	54,437	53,071
Current tax liabilities	3,520	6,373
Other current liabilities	40,179	43,046
	134,889	129,546
Total liabilities	227,128	225,190
TOTAL EQUITY AND LIABILITIES	347,318	351,282

GRUPO MEDIA CAPITAL, SGPS, S.A.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2013 AND 2012

(Amounts stated in Euro thousand)

	30.06.2013	30.06.2012
OPERATING ACTIVITIES:		
Cash receipts from customers	107,374	105,627
Cash paid to suppliers	(51,162)	(59,969)
Cash paid to employees	(24,987)	(29,038)
Cash generated from operations	31,225	16,620
Cash received/(paid) relating to income tax	(5,313)	-
Other cash received/(paid) relating to operating activities	(25,420)	(20,331)
Net cash from operating activities (1)	492	(3,711)
INVESTING ACTIVITIES:		
Cash received relating to:		
The sale of subsidiaries	-	1,512
Disposal of fixed tangible assets	36	51
Dividends	-	101
Interest and similar income	590	191
Loans granted	1,876	412
	2,502	2,266
Payments resulting from:		
Business concentrations	(21)	(912)
Acquisition of tangible assets	(1,939)	(1,593)
Loans granted	(1,313)	(1,499)
	(3,273)	(4,003)
Net cash from /(used in) investing activities (2)	(771)	(1,737)
FINANCING ACTIVITIES:		
Cash received relating to:		
Borrowings	63,094	110,115
Cash paid relating to:		
Borrowings	(54,685)	(102,028)
Leases	(637)	-
Interest and other similar expenses	(3,468)	-
Dividends	(11,325)	-
Other financial expenses	(937)	-
	(71,051)	(102,028)
Net cash from/(used in) financing activities (3)	(7,956)	8,087
Cash and equivalents at the begining of the period	10,790	11,813
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(8,235)	(8,856)
Exchange rate effect	(21)	-
Cash and equivalents at the end of the period	2,534	2,957