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# First Quarter 2018 Results

**Grupo Média Capital, SGPS, S.A.**

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

## FIRST QUARTER 2018 RESULTS

Media Capital presents its Q1 2018 results, which reinforces its leadership among the Portuguese media in terms of both market share and profitability

- In the first three months of the year, **Media Capital reinforced its audiences and profitability**, strengthening its position in the competitive Portuguese media sector.
- **Pre-income tax profits** improved 31% YoY, due to the growth in advertising, EBITDA and financial results.
- **Advertising revenues** jumped 4%, corresponding to the highest YoY growth rate since the first quarter of 2016.
- Consolidated **EBITDA** reached € 5.2 million, 4% above the comparable period.
- **Financial results** improved 10% YoY, due to the lower average volume of net debt, as well as lower all-in interest rate.
- The **TV** segment had an EBITDA of € 3.4 million. **TVI** kept the leadership in TV audience share for the 140<sup>th</sup> straight month, achieving an average of 21.1% and 24.4% in all day and prime time, respectively. The gap over the second most watched channel was 3.9pp in all day and 3.3pp in prime time. TVI's leadership in audiences was also maintained when analyzing by groups of channels (TVI, TVI24, TVI Ficção and TVI Reality, in the case of TVI), with 23.9% in all day and 26.6% in prime time, i.e., respectively 3.3pp and 2.5pp above the second most watched group of channels, although TVI has a lower number of channels.
- The **Radio** segment continued to improve its EBITDA, which in this quarter rose by 40% YoY to € 1.1 million, with a margin of 27.7%. Media Capital's radios continued to increase their audience levels, reaching 37.3% in the first reading of 2018 – 1.4pp above the main competitor and 3.2pp higher than its own reading of Q1 2017. Such performance benefited from the success of Radio Comercial's clear leadership (24.9%, clearly above the 22.7% attained a year ago), as well as to the steady climb of M80's, which reinforced its ranking as the third most listened to radio in Portugal.
- In the **Digital** business there was a strong improvement in audiences and revenues. In the comparison against the comparable period of 2017, the aggregate websites and apps rose by 18% in sessions and by 26% in what regards video, contributing for the 9% increase in advertising revenues.
- It is worth highlighting the **cash flow generation**, with an improvement in operating cash flow from € 2.3 million to € 6.0 million, whereas net debt came down € 5.2 million and € 9.7 million when comparing against YE 2017 and March 2017, respectively. Hence, net debt stood at € 90.1 million at the end of March, which is the lowest March figure since 2007.

Queluz de Baixo, 12th April 2018



## 1. Consolidated P&L

€ thousand	Q1 2018	Q1 2017	% Var
<b>Total operating revenue</b>	<b>38,727</b>	<b>35,076</b>	<b>10%</b>
Television	31,784	28,650	11%
Audiovisual Production	7,512	6,658	13%
Radio	4,032	3,950	2%
Others	3,882	3,919	-1%
Consolidation Adjustments	(8,482)	(8,099)	-5%
<b>Total operating expenses ex-D&amp;A</b>	<b>33,528</b>	<b>30,061</b>	<b>12%</b>
<b>EBITDA</b>	<b>5,199</b>	<b>5,015</b>	<b>4%</b>
<b>EBITDA Margin</b>	<b>13.4%</b>	<b>14.3%</b>	<b>-0.9pp</b>
Television	3,351	3,988	-16%
Audiovisual Production	127	(664)	N/A
Radio	1,116	799	40%
Others	(27)	345	N/A
Consolidation Adjustments	632	547	16%
Depreciation and amortisation	1,527	1,865	-18%
<b>Operating income (EBIT)</b>	<b>3,672</b>	<b>3,149</b>	<b>17%</b>
Financing Results	(989)	(1,097)	10%
<b>Profit / (Loss) Before Inc. Tax and No Contrl. Int.</b>	<b>2,683</b>	<b>2,052</b>	<b>31%</b>
Income Taxes	(743)	(140)	-430%
<b>Profit / (Loss) from Continued Operations</b>	<b>1,940</b>	<b>1,912</b>	<b>1%</b>
<b>Net Profit / (Loss) for the Period</b>	<b>1,940</b>	<b>1,912</b>	<b>1%</b>

In the first quarter of 2018, **operating revenues** were up 10%, reaching € 38.7 million (€ 35.1 million in Q1 2017). **Opex** (excluding D&A) was also up, in this case by 12%, from € 30.1 million towards € 33.5 million.

The YoY evolution of both operating revenues and costs reflected, on top of the ordinary activity, the impact of the **adoption of IFRS 15** since 1 January 2018 - Revenues from Contracts with Customers. This implied an increase in both revenues and costs in the exact same amount (€ 2.6 million). Without such impact, operating revenues and costs would have both increased by 3% on a YoY basis.

**Consolidated EBITDA** was € 5.2 million, increasing 4% YoY. EBITDA margin went from 14.3% to 13.4%.

Excluding the IFRS 15 impact, there would have been an improvement to 14.4%.

**EBIT** was € 3.7 million, 17% better than the value of Q1 2017, benefiting also from lower depreciations and amortisations.

**Net financial results** improved by € 0.1 million, through the reduction in interest costs, due both to a lower average net debt and to a lower cost of debt.

Notwithstanding the substantial improvement in the **pre-tax profit** line (+31%), **net income** rose by 1% to € 1.9 million. This discrepancy is justified by the income tax registered in Q1 2017 (effective tax rate of only 7%), due to the recovery of taxes related to previous periods.

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€ thousand	Q1 2018	Q1 2017	% Var
<b>Operating revenue</b>	<b>38,727</b>	<b>35,076</b>	<b>10%</b>
Advertising	24,278	23,249	4%
Other revenues	14,449	11,827	22%

In Q1 2018, **advertising revenues** had a positive evolution, having increased 4% YoY, which is the highest variation since Q1 2016 and far better than the figured registered for 2017 as a whole (-2%). In the TV segment, advertising was up 5% (again, the best YoY performance since Q1 2016), whereas in the Radio segment there was an increase of 1%, while in the Other segment (which

includes Digital, Music & Events, shared services and holding) the variation was quite positive (+9%).

**Other operating revenues**, which comprise mainly audiovisual production, sale of contents, multimedia and retransmission revenues, increased by 22%. This variation was entirely due to the already mentioned adoption of IFRS 15, without which the YoY change would be zero.

## 2. Television



€ thousand	Q1 2018	Q1 2017	Var %
<b>Operating revenue</b>	<b>31,784</b>	<b>28,650</b>	<b>11%</b>
Advertising	19,771	18,838	5%
Other revenues	12,013	9,811	22%
<b>Operating Expenses, ex D&amp;A</b>	<b>28,433</b>	<b>24,661</b>	<b>15%</b>
<b>EBITDA</b>	<b>3,351</b>	<b>3,988</b>	<b>-16%</b>
EBITDA margin	10.5%	13.9%	-3.4pp
Depreciation and amortisation	621	733	-15%
<b>Operating income (EBIT)</b>	<b>2,730</b>	<b>3,255</b>	<b>-16%</b>

Considering the TVI FTA (generalist) channel, TVI24, TVI Ficção and TVI Reality, TVI's aggregate group of channels led audiences, with 23.9% in all day and 26.6% in prime time (20h-24h). Such leadership was also maintained in the main commercial target - Adults - as shown below.

All Day (%)	UNIVERSE	ADULTS
<b>TVI Group</b>	<b>23.9</b>	<b>24.7</b>
SIC Group	20.6	21.2
RTP Group	16.2	16.9

Prime Time (%)	UNIVERSE	ADULTS
<b>TVI Group</b>	<b>26.6</b>	<b>27.2</b>
SIC Group	24.2	24.8
RTP Group	15.4	16.0



In terms of individual channels, TVI's generalist channel confirmed yet again its #1 position for the 140<sup>th</sup> consecutive month, with a share of 21.1% in all day, 3.9pp above the closest competitor and 9.1pp above the third most watched channel. TVI is the leader in this commercial target since 2005.

In 2018, TVI also ranks in the first place in the main commercial target - Adults - obtaining a share of 21.9%, i.e. 4.1pp and 9.1pp above the second and third players, respectively.

In prime time, TVI also beats the competition, with a share of 24.4%, meaning 3.3pp above the second channel and a 12.8pp advantage over the third one. TVI leads in this time slot since 2001.

A similar position was achieved in the Adults target, with TVI capturing a 25.0% share, while the second and third most watched channels had 21.8% and 12.1%, respectively.

During this period, TVI based its programming on local drama (fiction), entertainment and news.

In **fiction**, TVI led with the two novelas that have been aired this year: "A Herdeira", with an average audience over 1 million and 300 thousand viewers, being currently the most watched novela in Portugal, and "Jogo Duplo", airing latter in the night, and with an average audience of 822 viewers, also leading its time slot.

In **entertainment**, TVI's programmes continue to outbeat the competition, with a special emphasis on "Secret Story 7", which has an average audience of more than 1 million and 300 thousand viewers, and reaching also more than 1 million and 100 thousand followers on Facebook. "Apanha se Puderés" continues to be a success, as it leads audiences in access to prime since its premiere. "Masterchef Junior" also posted impressive audience figures.

TVI's **news** programming keeps its leading position both at lunchtime, with "Jornal da Uma" and at dinnertime, with "Jornal das 8", with both of these programmes being the only news programmes growing vs last year, in the case by 5%.

**TVI24** kept its #1 ranking among news channels, with an average audience of 59 thousand views in all day. In the first three months of 2018, out of the 25 most watched programmes broadcasted on news channels, 20 belong to TVI24's.

The **TVI Reality** channel leveraged on the success of "Secret Story 7", ranking #10 in the overall channels list, with a total audience of 466 thousand viewers. "Secret Story 7" is the leader in the distinct formats and time slots where it is broadcasted in both TVI and TVI Reality.

As regards the **sale of contents**, in Q1 2018 it was reached a new record in the number of countries where TVI's fiction is exhibited – 68, as "Ouro Verde" and "A Única Mulher" were sold to the North American market.

**TVI Internacional** continues to increase its worldwide footprint. In the beginning of the year, it became available in a third French platform, which is an important step towards reaching the 1 million Portuguese emigrants living in that country. The channels are currently broadcasted in close to 40 platforms and 22 territories around the World.

**TVI Ficção** is broadcasted in 14 territories, corresponding to an increase of 40% vs the same period of the last year.

In the first quarter, TVI was nominated for 11 Águila awards, which distinguishes the best productions in cinema and television. The novela "Ouro Verde" was one of the awarded ones. It also receive the prize for best fiction programme of the Portuguese television, in the awards Autores, of the Sociedade Portuguesa de Autores (Portuguese Authors' Society)

### FINANCIAL PERFORMANCE

Regarding financial performance, **operating revenues** were up 11% YoY (2% without the impact from the adoption of IFRS 15, which only affected the line of "other revenues" and not EBITDA nor cash flow).

**Advertising revenues** had their best performance since Q1 2016, with a growth of 5% YoY.

**Other revenues**, which encompass, among other, retransmission fees, sale of contents and multimedia services, were up 22% (-4% if IFRS 15 adoption is taken out).

**Opex** increased 15% YoY or 5% if excluding IFRS 15 impacts, due to the effort put in better quality contents.

**EBITDA** was € 3.4 million (-16% YoY), with a margin of 10.5% (11.5% excluding IFRS 15 adoption).



### 3. Audiovisual Production

€ thousand	Q1 2018	Q1 2017	Var %
<b>Operating revenue</b>	<b>7,512</b>	<b>6,658</b>	<b>13%</b>
Advertising	0	0	0%
Other revenues	7,512	6,658	13%
<b>Operating Expenses, ex D&amp;A</b>	<b>7,384</b>	<b>7,322</b>	<b>1%</b>
<b>EBITDA</b>	<b>127</b>	<b>(664)</b>	<b>N/A</b>
EBITDA margin	1.7%	-10.0%	11.7pp
Depreciation and amortisation	478	803	-41%
<b>Operating income (EBIT)</b>	<b>(351)</b>	<b>(1,467)</b>	<b>76%</b>

Plural continues to be one the main players in the audiovisual production sector, also with a relevant presence in the associated technical services/equipment and scenic design and construction. In Q1 2018, it kept its leadership not only in fiction, with the production of the novelas "A

Herdeira" and "Jogo Duplo", but also in entertainment, through the adaptation of the international format "Apanha se Puderés" ("Raid the Cage"), a contest which leads audience since its debut, in the 7-8pm time slot.

Furthermore, EMAV (technical services and equipment) rendered its services to several important audiovisual players in Iberia, and was responsible for the technical support to the broadcasting of various sports. In turn, EPC (scenery design and construction) was again one of the main suppliers in the Portuguese market – in the areas of entertainment, fiction and news, among other.

This segment had **operating revenues** of € 7.5 million (+13 YoY), primarily due to a substantial increase of content production.

In **Portugal**, revenues were up 10% YoY, mostly as a result of higher content production for television.

In **Spain**, the activity is reduced to residual levels, with a slim and flexible structure, the necessary one to address attractive commercial opportunities.

**Opex** increased merely by 1% YoY.

Hence, **EBITDA** reached a positive figure of € 0.1 million, improving € 0.8 million vs Q1 2017.

## 4. Radio

€ thousand	Q1 2018	Q1 2017	Var %
<b>Operating revenue</b>	<b>4,032</b>	<b>3,950</b>	<b>2%</b>
Advertising	3,858	3,807	1%
Other revenues	173	143	21%
<b>Operating Expenses, ex D&amp;A</b>	<b>2,915</b>	<b>3,151</b>	<b>-7%</b>
<b>EBITDA</b>	<b>1,116</b>	<b>799</b>	<b>40%</b>
EBITDA margin	27.7%	20.2%	7.5pp
Depreciation and amortisation	286	191	49%
<b>Operating income (EBIT)</b>	<b>831</b>	<b>607</b>	<b>37%</b>

Audience data continues to underline the good performance of the various radio stations held by Media Capital Rádios (MCR).

In the first audience measurement published in 2018, **MCR posted a leading aggregate share of 37.2%**, 1.4pp better than its closest competitor and 3.2pp above the equivalent audience reading of 2017.

It is worth highlighting the performance of **Radio Comercial**, which improved its share to 24.9% (#1), from 22.4% and 22.7% in the first and last measurements of 2017, respectively.

In turn, **M80** had yet again a significant improvement, with a share of 7.9% (ahead of the 7.3% posted in the comparable period of the last

year). **M80** thus continues to be not only the most-listened-to radio station among those without a nationwide coverage, but it also stands out as the third most-listened-to radio station in the country.

As for other formats, **Cidade** had a share of 2.8% (vs 3.1% in V1 2017 and 2.5% in V5 2017).

On financial grounds, **advertising revenues** improved 1% YoY, while other operating revenues grew 22% to € 0.2 million.

Operating efficiency continued, with **Opex** decreasing 7% YoY.

**EBITDA** soared 40% to € 1.1 million, with a 27.7% margin.



## 5. Others



€ thousand	Q1 2018	Q1 2017	Var %
<b>Operating revenue</b>	<b>3,882</b>	<b>3,919</b>	<b>-1%</b>
Advertising	694	639	9%
Other revenues	3,188	3,279	-3%
<b>Operating Expenses, ex D&amp;A</b>	<b>3,909</b>	<b>3,574</b>	<b>9%</b>
<b>EBITDA</b>	<b>(27)</b>	<b>345</b>	<b>N/A</b>
EBITDA margin	-0.7%	8.8%	-9.5pp
Depreciation and amortisation	143	137	4%
<b>Operating income (EBIT)</b>	<b>(171)</b>	<b>208</b>	<b>N/A</b>

This segment includes the remaining business areas of Media Capital, including Digital, Music & Events, holding and shared services.

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

In the first quarter, the digital activity of Media Capital was marked by a relevant improvement of both audiences and revenues. When comparing against the first three months of 2017, the aggregate websites and apps were up 18% in the number of sessions and 26% in what concerns videos. Such results were made possible due to activation of TVI's key programmes, namely the novelas "A Herdeira" and "Jogo Duplo", as well as the 7<sup>th</sup> edition of reality show "Secret Story".

On the innovation chapter, the "Secret Story 7" app had a sizable recognition among the public, media and the software developing industry, due to its advanced interactive capabilities – artificial intelligence and machine learning were used for the first time in Portugal in a TV programme. Such success was materialized in the app usage, which tripled vs the apps of the previous editions, while the number of unique users also soared, reaching 300 thousand.

The first quarter was also impacted by the 25<sup>th</sup> birthdate of TVI, an event that triggered several digital initiatives, namely a dedicated website,

with a video chronology of the main historical events of the channel throughout the years, and production and broadcasting for digital and for TVI Ficção channel of the programme "Alerta Gala".

In TVI Player (TVI's OTT), it is worth mentioning the support to Portuguese comedy, with the event "Mês da Comédia" (Comedy Month), which had the participation of several well-known comedians. Regarding users outside Portugal, it several new alternative were introduced for online payments regarding the subscription of the channels TVI Ficção and TVI Reality.

Regarding the digital presence in social networks, the leadership of the Group's properties vs its direct competitors was either kept or even increased, namely on Instagram, Facebook and YouTube.

Finally, on live video, TVI, TVI24, MaisFutebol and Selfie's offers were reinforced through the improvement of infrastructures and other internally developed solutions that allowed the increase in the number of direct broadcasting from several sources in the various digital channels

On financial grounds, **advertising** increased by 9% YoY, whilst **other revenues** were down 3%.

The EBITDA was approximately zero in Q1 2018, comparing with € 0.3 million a year ago.



## 6. Capex

€ thousand	Q1 2018	Q1 2017	% Var
<b>Capex</b>	<b>370</b>	<b>417</b>	<b>-11%</b>
Television	201	238	-16%
Audiovisual Production	124	116	7%
Radio	14	35	-59%
Others	31	27	13%

During Q1 2018, Media Capital registered a capex of € 0.4 million, 11% below last year's comparable period.

Aside from the Audiovisual Segment, all other segments showed a reduction of this KPI.



## 7. Cash Flow

€ thousand	Q1 2018	Q1 2017	Var %
Receipts	50,963	49,691	3%
Payments	(44,958)	(47,436)	5%
<b>Cash flows op. activities (1)</b>	<b>6,005</b>	<b>2,255</b>	<b>166%</b>
Receipts	1,286	0	3475581%
Payments	(1,357)	(3,007)	55%
<b>Cash flows inv. activities (2)</b>	<b>(71)</b>	<b>(3,007)</b>	<b>98%</b>
Receipts	25,146	28,064	-10%
Payments	(31,099)	(27,857)	-12%
<b>Cash flows fin. activities (3)</b>	<b>(5,953)</b>	<b>207</b>	<b>N/A</b>
Cash at the beginning of the period	294	1,235	-76%
Variation of cash (4) = (1) + (2) + (3)	(19)	(545)	97%
Effect of FX differences	(0)	(1)	66%
<b>Cash at the end of the period</b>	<b>275</b>	<b>689</b>	<b>-60%</b>

**Cash flow from operating activities** was € 6.0 million, which positively compares with € 2.3 million in the previous year's first quarter. The variation is chiefly related with both cash inflows and outflows in the television segment.

**Cash flow from investing activities** was € -0.1 million (€ -3.1 million in Q1 2017). Cash flow related with tangible and intangible assets was € -

1.4 million, comparing with € -3.0 million registered a year ago.

**Cash flow from financing** activities reached € -6.0 million (€ 0.2 million in Q1 2018), reflecting the movements in operating and investing activities, and the change in cash and equivalents.





## 8. Net Debt

€ thousands	Mar 18	Dez 17	Abs Var	% Var	Mar 17	Abs Var	% Var
<b>Group financial debt</b>	<b>90,368</b>	<b>95,557</b>	<b>(5,189)</b>	<b>-5%</b>	<b>100,489</b>	<b>(10,121)</b>	<b>-10%</b>
Bank loans / Commercial paper / Bonds	89,637	94,765	(5,127)	-5%	99,777	(10,140)	-10%
Other debt	730	792	(62)	-8%	711	19	3%
<b>Cash &amp; equivalents</b>	<b>275</b>	<b>294</b>	<b>(19)</b>	<b>-6%</b>	<b>689</b>	<b>(413)</b>	<b>-60%</b>
<b>Net debt</b>	<b>90,092</b>	<b>95,262</b>	<b>(5,170)</b>	<b>-5%</b>	<b>99,800</b>	<b>(9,708)</b>	<b>-10%</b>

**Net debt** decreased € 5.2 million vs the end of 2017, standing at € 90.1 million at the end of March 2018.

When comparing against March 2017, the reduction was higher, reaching € 9.7 million, despite the € 17.7 million distributed as dividends in the second quarter of the last year.

Media Capital maintains a comfortable capital structure.

GRUPO MEDIA CAPITAL, S.G.P.S, S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2018 AND 2017
(Amounts stated in Euro thousand)

	<u>31.03.2018</u>	<u>31.03.2017</u>
<b><u>OPERATING REVENUES:</u></b>		
Services rendered	26,382	25,275
Other operating revenue	<u>12,345</u>	<u>9,801</u>
Total operating revenue	<u>38,727</u>	<u>35,076</u>
<b><u>OPERATING EXPENSES:</u></b>		
Cost of programs broadcasted and goods sold	(4,975)	(5,035)
Subcontrats and third party supplies	(18,087)	(14,847)
Payroll expenses	(10,384)	(10,069)
Depreciation and amortization	(1,527)	(1,865)
Provisions and impairment losses	(57)	(12)
Other operating expenses	<u>(25)</u>	<u>(98)</u>
Total operating expenses	<u>(35,055)</u>	<u>(31,927)</u>
Net operating profit	<u>3,672</u>	<u>3,149</u>
<b><u>FINANCIAL EXPENSES:</u></b>		
Financial expense	(999)	(1,113)
Financial income	<u>10</u>	<u>15</u>
Finance costs, net	<u>(989)</u>	<u>(1,097)</u>
Profit before tax	2,683	2,052
Income tax expense	(743)	(140)
Consolidated net profit for continued operations	<u>1,940</u>	<u>1,912</u>
Attributable to:		
Equity holders of the parent	1,940	1,912
Earnings per share (Euros)		
Basic	0.0230	0.0226
Diluted	<u>0.0230</u>	<u>0.0226</u>

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2018 AND 31 DECEMBER 2017

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>31.03.2018</u>	<u>31.12.2017</u>
<b>NON-CURRENT ASSETS:</b>		
Goodwill	149,374	149,374
Intangible assets	10,321	10,663
Tangible fixed assets	14,350	15,166
Assets held for sale	5	5
Transmission rights and TV programs	50,999	50,971
Other non-current assets	2,618	3,937
Deferred income tax assets	2,196	2,388
	<u>229,864</u>	<u>232,504</u>
<b>CURRENT ASSETS:</b>		
Transmission rights and TV programs	29,540	30,219
Trade and other account receivable	31,603	33,629
Current tax assets	354	340
Other current assets	4,386	4,258
Cash and cash equivalents	275	294
	<u>66,158</u>	<u>68,741</u>
<b>TOTAL ASSETS</b>	<u><u>296,022</u></u>	<u><u>301,244</u></u>
<hr/> <b>EQUITY AND LIABILITIES</b> <hr/>		
<b>EQUITY:</b>		
Share capital	89,584	89,584
Reserves	51,063	32,071
Profit for the period	1,940	19,787
Equity attributable to controlling interests	<u>142,587</u>	<u>141,442</u>
Total Equity	<u>142,587</u>	<u>141,442</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Borrowings	51,849	61,233
Provisions	5,752	5,798
Deferred income tax liabilities	1,142	1,159
	<u>58,743</u>	<u>68,190</u>
<b>CURRENT LIABILITIES:</b>		
Borrowings	38,518	34,324
Trade and other payables	32,574	31,370
Current tax liabilities	5	5
Other current liabilities	23,594	25,914
	<u>94,691</u>	<u>91,613</u>
Total liabilities	<u>153,435</u>	<u>159,803</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>296,022</u></u>	<u><u>301,244</u></u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018 AND 2017
(Amounts stated in Euro thousand)

	<u>31.03.2018</u>	<u>31.03.2017</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	50,963	49,691
Cash paid to suppliers	(25,336)	(28,203)
Cash paid to employees	(9,720)	(10,216)
Cash generated from operations	<u>15,907</u>	<u>11,272</u>
Cash received/(paid) relating to income tax	45	289
Other cash received/(paid) relating to operating activities	(9,947)	(9,306)
Net cash from operating activities (1)	<u>6,005</u>	<u>2,255</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	1,286	-
Disposal of fixed tangible and intangible assets	-	0
Interest and similar income	0	-
	<u>1,286</u>	<u>0</u>
Payments resulting from:		
Acquisition of tangible assets	(1,240)	(2,825)
Acquisition of intangible assets	(117)	(182)
	<u>(1,357)</u>	<u>(3,007)</u>
Net cash from /(used in) investing activities (2)	<u>(71)</u>	<u>(3,007)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	25,146	28,064
	<u>25,146</u>	<u>28,064</u>
Cash paid relating to:		
Borrowings	(29,727)	(26,060)
Leases	(76)	(188)
Interest and other similar expenses	(1,252)	(1,570)
Other financial expenses	(44)	(38)
	<u>(31,099)</u>	<u>(27,857)</u>
Net cash from/(used in) financing activities (3)	<u>(5,953)</u>	<u>207</u>
Cash and equivalents at the beginning of the period	294	1,235
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(19)	(545)
Exchange rate effect	(0)	(1)
Cash and equivalents at the end of the period	275	689