Half-Year Results 2007

GRUPO MÉDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhano, 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: 7.606.186,20 euros

HALF-YEAR RESULTS 2007

Media Capital's Net profit increased 13% year on year to €11.4 million.

- For the first half of 2007, Media Capital reports consolidated revenues of €106.7 million, down 2% over the comparable period, with the Group's advertising revenues up 1% to €84.8 million.
- TV segment total revenues increased 2% to €88.8 million, with advertising revenues up 1% year on year.
- Operational costs were down 2% following reductions in all business segments in the second quarter of the year.
- Consolidated EBITDA remained in line with the first six months of the previous year, at €24.9 million.
- Group EBITDA margin of 23.4% in H1 2007, gaining 0.4 p.p. year on year.
- TVI has once again maintained YTD audience share leadership both in all day and in prime time, with average shares among FTA channels of 33.4% and 36.6% respectively.

Queluz de Baixo, 17 July 2007

Grupo Media Capital

Susana Gomes da Costa
Investor Relations Officer

Grupo Média Capital, SGPS, S.A., consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Following the Material Information announcement published on 13 July 2007, regarding the currently ongoing negotiations that may result on the sale of its Outdoor business division, an activity developed by its subsidiary company Media Capital Outdoors – Publicidade S.A. (MCO), this business segment has been considered for reporting purposes as a discontinued operation.

All analysis and comparisons presented in this document, unless otherwise stated, are performed on a year on year restated comparable basis considering the information contained in the previous paragraph.

1. Analysis of consolidated income statement

(€ thousands)	H1 07	H1 06	Var %	H1 06 *	Q2 07	Q2 06	Var %	Q2 06 *
Total operating revenue	**106.713**	**108.669**	**-2%**	**116.921**	**59.583**	**60.454**	**-1%**	**65.390**
Television	88.796	87.248	2%	87.248	49.488	49.661	0%	49.661
Radio	6.944	7.260	-4%	7.260	4.015	3.804	6%	3.804
Outdoor	-	-	-	8.833	-	-	-	5.170
Others	10.972	14.162	-23%	13.581	6.080	6.989	-13%	6.755
Total operating expenses	**81.769**	**83.719**	**-2%**	**90.966**	**42.826**	**44.770**	**-4%**	**48.702**
EBITDA	**24.943**	**24.950**	**0%**	**25.955**	**16.757**	**15.684**	**7%**	**16.688**
EBITDA margin	**23,4%**	**23,0%**	**0,4 pp**	**22,2%**	**28,1%**	**25,9%**	**2,2 pp**	**25,5%**
Television	28.593	28.644	0%	28.644	17.853	17.843	0%	17.843
Radio	83	7	1093%	7	666	-121	N/A	-121
Outdoor	-	-	-	1.005	-	-	-	1.003
Others	(3.733)	(3.701)	-1%	(3.701)	(1.762)	(2.038)	14%	(2.038)
Depreciation and amortisation	5.681	5.094	12%	5.698	2.969	2.535	17%	2.843
Operating income (EBIT)	**19.262**	**19.856**	**-3%**	**20.257**	**13.788**	**13.149**	**5%**	**13.845**
Financial expenses, net	3.221	3.824	-16%	4.493	1.775	2.815	-37%	3.126
Profit / (Loss) before inc. tax/ min.	**16.041**	**16.032**	**0%**	**15.765**	**12.014**	**10.334**	**16%**	**10.718**
Income tax for the period	(5.313)	(5.572)	5%	(5.530)	(3.844)	(3.361)	-14%	(3.564)
Profit / (Loss) from continued operations	**10.728**	**10.460**	**3%**	**10.234**	**8.170**	**6.973**	**17%**	**7.154**
Profit / (Loss) from discontinued operations	**912**	**(226)**	**N/A**	**-**	**846**	**181**	**367%**	**-**
Minority interests	(284)	(210)	-35%	(210)	(194)	(222)	12%	(222)
Net profit / (loss) for the period	**11.356**	**10.024**	**13%**	**10.024**	**8.821**	**6.932**	**27%**	**6.932**

* For information purposes, a profit and loss statement excluding the discontinued operations impact is shown

For the period ended 30 June, 2007, Grupo Media Capital reported **consolidated revenues** of €106.7 million and an **EBITDA** (net of all provisions) of 24.9 million in line with the first six months of 2006.

Operating income (EBIT) decreased by 3% to €19.3 million, with **Net profit** increasing 13% over the same period of last year to €11.4 million.

Total consolidated revenues were down 2% when compared to the same period of the previous year, with **advertising revenues** up 1% to €84.8 million, backed by increases of 1% in the TV segment, and 13% in the segment Others, while the Radio business segment was down 4%. However we highlight that the segment's declining trend experienced in previous quarters, has been reversed with the 6% growth achieved in the second quarter of the year.

Newsstand sales had 19% decline YoY, which on a comparable basis excluding the impact of the closedown of the magazine *Grazia*, translated into a 1% decrease, while **Other revenues** were down 10% year on year, with improvements in the TV segment insufficient to offset the decrease in both add-on product sales from the Group's magazine operations and in the narrowband internet service provider activity.

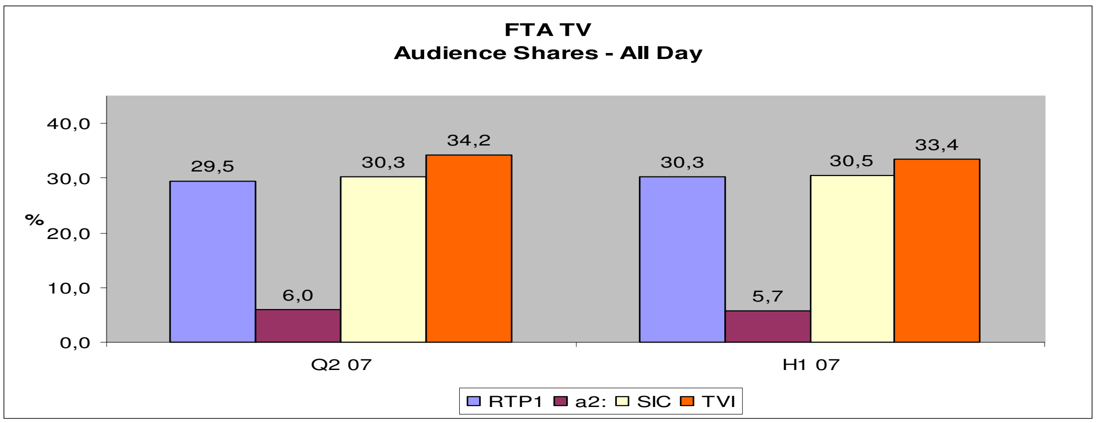
Operating expenses were down 2% over the comparable period, with the increase in the TV segment on higher programming costs, being offset by reductions in all other remaining segments, mainly due to the reduction in costs associated with add-ons sales in the Group's magazines operations, and the reduction of costs in the Internet Service Provider activity.

Net Financial expenses were down 16% to €3.2 million, mainly due to the impact of improved results in the Group's affiliated companies.

2. Television

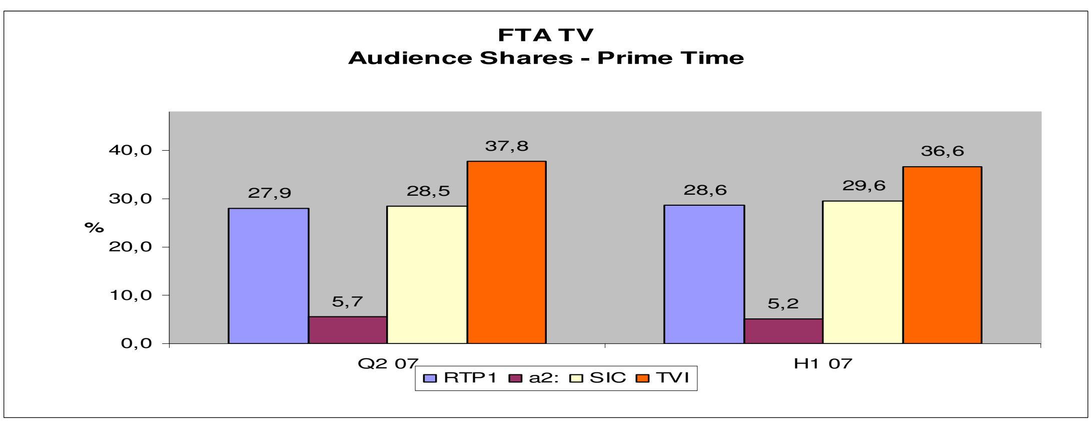
(€ thousands)	H1 07	H1 06	Var %	Q2 07	Q2 06	Var %
Operating revenue	**88.796**	**87.248**	**2%**	**49.488**	**49.661**	**0%**
Advertising	74.657	73.940	1%	42.727	42.729	0%
Other revenues	14.139	13.308	6%	6.761	6.932	-2%
Operating Expenses	**60.203**	**58.604**	**3%**	**31.635**	**31.818**	**-1%**
EBITDA	**28.593**	**28.644**	**0%**	**17.853**	**17.843**	**0%**
EBITDA margin	32,2%	32,8%	-0,6 pp	36,1%	35,9%	0,1 pp
Depreciation and amortisation	3.245	3.069	6%	1.655	1.530	8%
Operating income (EBIT)	**25.348**	**25.575**	**-1%**	**16.197**	**16.313**	**-1%**

The TV segment includes TV broadcasting, TV production and non-advertising TV associated activities (including sales of music CD's).



Source: Marktest

Once again, **TVI led Portuguese television audiences in the first half of 2007,** both in **all-day and prime time** with audience shares of **33.4% and 36.6%** respectively. TVI has led in every month to date, and its performance was particularly strong in the second quarter of the year, with consecutive improvements over the previous month, and widening the gap to its competitors.



Source: Marktest

In this first semester of the year, TVI also registered the **highest reach in Portuguese television, with a daily average of 6.3 million viewers**, with 4.7 million viewers alone in prime time.

The good performance attained by TVI in the first semester, which represented an improvement over the previous semester, was based on a sustained improvement in the daytime slots, including mornings, lunch time and early afternoons, where the new talk-show **"As Tardes da Júlia"**, premiered in April, has allowed for a consistent improvement in audience shares over the weekdays.

As for other highlights in the first semester, they include TVI's national fiction regular programming, football and the local version of the international reality show format **"The Beauty and the Geek"**. In local fiction, the soap opera **"Ilha dos Amores"** is currently the most successful regular program in Portuguese TV, and has an average prime time share of 44.9% with 1.5 million average daily viewers over the 79 episodes broadcasted up to the end of June.

In football, and besides the BWIN Portuguese League, which ended in May with an average share of 44.5% in the matches broadcasted, TVI also aired the UEFA European U-21 Championship in Holland, whose 11 matches reached an average share of 40.5% corresponding to approximately 1 million viewers per match.

Advertising revenues in the television segment were up by 1%, with TVI maintaining its lead in terms of advertising market share, with an **estimated share of approximately 47%**.

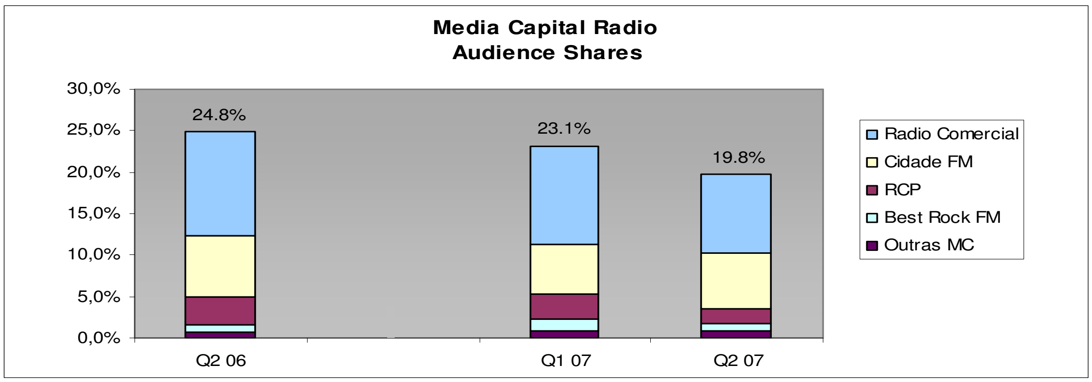
Other revenues were up 6%, benefiting both from the growth in external sales from the Group's television content producer company NBP, and from increased revenues from the production of events in the entertainment division, which have offset the 11% decline experienced in music CD sales. Other revenues contribution to total TV revenues was up from 15% to 16% in H1 2007.

Operating expenses in the TV segment were up 3%, mostly due to higher TV programming costs, both due to increased costs with in-house productions and externally acquired contents.

Consolidated EBITDA came in line with comparable period of 2006, at €28.6 million, with **EBITDA margin** decreasing 0.6 pp to 32.2%. **Consolidated EBIT** was down 1% to €25.4 million.

3. Radio

(€ thousands)	H1 07	H1 06	Var %	Q2 07	Q2 06	Var %
Operating revenue	**6.944**	**7.260**	**-4%**	**4.015**	**3.804**	**6%**
Advertising	6.462	6.700	-4%	3.721	3.500	6%
Other revenues	483	559	-14%	294	304	-3%
Operating Expenses	**6.861**	**7.253**	**-5%**	**3.349**	**3.925**	**-15%**
EBITDA	**83**	**7**	**N/A**	**666**	**(121)**	**N/A**
EBITDA margin	1,2%	0,1%	1,1 pp	16,6%	-3,2%	19,8 pp
Depreciation and amortisation	1.031	909	13%	572	447	28%
Operating income (EBIT)	**(947)**	**(902)**	**-5%**	**94**	**(569)**	**N/A**



Source: Marktest

In Q2 2007 Media Capital Radios (MCR) reached an audience share of 19.8%, which compares to a share of 23.1% in the previous quarter, and to 24.8% reached in the second quarter of last year.

In a quarter that experienced a drop of nearly 100.000 radio listeners over the previous period (a drop of approximately 1.2 pp), **MCR** kept its position as the #2 radio group in Portugal, although with a wider gap to the leading group. **Rádio Comercial** maintained its third place in the audience ranking with an audience share of 9.5%, while **Cidade FM** reinforced its leadership among younger radio listeners (15 – 24 years old).

At **Rádio Clube** (RCP) the launch of totally new format, a generalist and news & entertainment based format, has led to a complete make over of its audiences, and as expected, audiences in the short term tend to drop, while old listeners move on and new listeners progressively arrive. The launch of this remodelled format is a key strategic investment for the Group's operations, and MCR will continue to invest in promoting this new format with upcoming advertising campaigns.

In April MCR launched a new radio format in Portugal. **M80**, a proven success in neighbor Spain, is a 70's, 80's and 90's hits radio, targeted at listeners between the ages of 35 to 55. This new format started broadcasting in the Greater Lisbon and Greater Oporto areas, and is due to expand its coverage soon to other cities like Coimbra and Santarém. Still in April, MCR freshened up **Romântica FM**, an old MCR format based in Portuguese language love songs. MCR is planning several advertising campaigns in the coming months, in order to promote these two formats.

MCR's total **advertising revenues** were down 4% in the first six months of 2007, although we point out the turnaround in the declining trend experienced in previous quarters, with MCR achieving a 6% growth in its advertising revenues in the second quarter of the year.

Total operating expenses decreased 5%, with the impact launch of the new RCP format, which led to an increase in editorial staff, offset by a slowdown in marketing costs in this first semester.

Consolidated EBITDA in the Radio stood at €0.1 million in H1 2007, while **Consolidated EBIT** decreased 5% to €-0.9 million.

4. Others

(€ thousands)	H1 07	H1 06	Var %	H1 06 *	Q2 07	Q2 06	Var %	Q2 06 *
Operating revenue	**10.972**	**14.162**	**-23%**	**13.581**	**6.080**	**6.989**	**-13%**	**6.755**
Advertising	3.634	3.208	13%	2.809	1.899	1.626	17%	1.487
Subscriptions and newsstand	3.051	3.770	-19%	3.770	1.635	1.948	-16%	1.948
Other revenues	4.287	7.185	-40%	7.002	2.546	3.415	-25%	3.319
Operating Expenses	**14.705**	**17.863**	**-18%**	**17.281**	**7.842**	**9.027**	**-13%**	**8.792**
EBITDA	**(3.733)**	**(3.701)**	**-1%**	**(3.701)**	**(1.762)**	**(2.038)**	**14%**	**(2.038)**
Depreciation and amortisation	1.405	1.116	26%	1.116	741	557	33%	557
Operating income (EBIT)	**(5.139)**	**(4.816)**	**-7%**	**(4.816)**	**(2.503)**	**(2.595)**	**4%**	**(2.595)**

Internet operations, magazine publishing, central holding costs and consolidation adjustments are included in this segment.

Advertising revenues in the segment were up 13% in the first half of the year, with the strong growth momentum in the group's Internet sites network, counterbalancing the fall in the magazine division, with lower ad revenues in some of its titles, but mostly the impact of *Grazia* magazine.

On a comparable basis, excluding the closedown of *Grazia* magazine late in December 2006, **subscriptions and newsstand revenues** were down 1% year on year, mainly due to the decrease in circulation in the first quarter of the year in *LuxWoman*, of the Group's main titles.

Other revenues had a 40% dropdown, as a result of the continued decrease in active users and minutes of usage in the narrowband Internet Service Provider business, as well as to the slowdown in sales of add-ons in the Group's main magazines.

Operating Costs dropped 18%, with main impacts resulting from lower variable costs associated with add-ons sales in the group's magazines, the decrease in the Internet service provider business variable costs and also the reduction the segment's marketing costs.

The segment's **EBITDA** was nearly unchanged, standing at a negative €3.7 million with **EBIT** down to a negative €5.1 million.

5. Cash movements

(€ thousand)	H1 07	H1 06	Var %	Q2 07	Q2 06	Var %
Operating activities						
Receipts	144.208	149.341	-3%	92.178	84.095	10%
Payments	(135.597)	(122.059)	11%	(72.909)	(62.347)	17%
Cash flows op. activities (1)	**8.611**	**27.282**	**-68%**	**19.269**	**21.748**	**-11%**
Investing activities						
Receipts	117	81	44%	86	75	16%
Payments	(7.043)	(6.457)	9%	(2.404)	(3.601)	-33%
Cash flows inv. activities (2)	**(6.926)**	**(6.376)**	**-9%**	**(2.318)**	**(3.527)**	**34%**
Financing activities						
Receipts	102.426	264	38726%	2.280	(2.300)	N/A
Payments	(103.190)	(21.719)	375%	(12.546)	(16.023)	-22%
Cash flows fin. activities (3)	**(764)**	**(21.455)**	**96%**	**(10.267)**	**(18.322)**	**44%**
Variation of cash (4) = (1) + (2) + (3)	921	(548)		6.684	(101)	
Cash at the begining of the period	8.611	3.608		2.848	3.160	
Cash at the end of the period	**9.532**	**3.059**		**9.532**	**3.059**	

The **Cash flow from operating activities** was down to € 8.6 million in H1 2007, as a result of both lower operating receipts and higher operating payments. The 3% reduction in operating receipts was mostly due to volume rebates being settled at a faster pace than in the same period of the previous year, while operating payments were up 11% following advances in payments related to the acquisition of contents to be broadcasted in future periods, as well as to the settlement of delayed payments from late 2006, as a result of an improved cash management policy.

Cash flows from investing activities were up to €7.5 million, with the increase being mostly due to payments related with the acquisition of an additional stake in the Group's content producer company NBP, as well as to the setup of a new joint venture in the entertainment division.

The **Cash flow from financing activities** is a result of the restructuring of the Group's debt structure. The former senior facility was repaid in full in the first quarter of the year and was replaced with the issuance of a revolving commercial paper program.

6. Debt

(€ thousands)	Jun-07	Dez-06	Change	Var %
Total Group debt	**85.036**	**79.667**	**5.331**	**7%**
Bank Loans / Commercial Paper	76.523	71.397	5.126	7%
Other debt	8.431	8.227	204	2%
Debt from discontinued operations	82	43	38	88%

Media Capital debt was up by €5.3 million in H1 2007, following the aforementioned debt restructuring. **Net debt was €75.9million** at the end of June 2007, which compares to €71.5 million at the end of 2006, representing an increase of 6% in the Group's net debt

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2007
AND 31 DECEMBER 2006

(Amounts stated in Euro thousand)

	June 2007	December 2006
ASSETS		
Non-Current Assets:		
Goodwill	148.374	174.373
Intangible assets	10.450	11.437
Tangible assets	32.151	37.529
Investments in associates	713	654
Transmission rights and TV programs	41.865	39.542
Other non-current assets	790	541
Deferred income tax assets	5.219	5.559
	239.562	269.635
Current Assets:		
Transmission rights and TV programs	10.222	4.630
Inventories	1.762	1.957
Trade and other account receivable	38.812	46.305
Other current assets	13.201	14.698
Cash and cash equivalents	9.178	8.611
Derivative financial instruments	2.805	2.805
	75.980	79.006
Current assets held for sale	38.739	-
Total Assets	354.281	348.641
EQUITY, MINORITY INTEREST AND LIABILITIES		
EQUITY:		
Share Capital	7.606	7.606
Share premium	81.709	81.709
Reserves	25.903	10.503
Retained earnings	28.594	28.594
Profit for the period	11.356	15.400
Equity attributable to equity holders	155.168	143.812
Equity attributable to minority interest	2.678	3.036
Total Equity	157.846	146.848
LIABILITIES:		
Non-Current Liabilities:		
Borrowings	77.797	49.949
Provisions for other risks and charges	5.049	6.039
Other non-current liabilities	486	3.143
Derivative financial instruments	52	184
Deferred income tax liabilities	551	895
	83.935	60.210
Current Liabilities:		
Borrowings	6.586	28.870
Trade and other payables	72.016	83.019
Other current liabilities	25.993	29.694
	104.595	141.583
Current liabilities held for sale	7.905	-
Total Liabilities	196.435	201.793
Total Equity and Liabilities	354.281	348.641

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 JUNE 2007 AND 30 JUNE 2006

(Amounts stated in Euro thousand)

	June 2007	June 2006
Advertising revenue	84.753	83.848
Subscriptions and newsstand revenue	3.052	3.770
Other operating revenue	18.908	21.051
Total operating revenue	106.713	108.669
Cost of goods sold	16.354	19.391
Subcontracts and third party supplies	38.613	39.605
Payroll expenses	25.835	23.769
Depreciation	5.681	5.094
Provisions	117	286
Other operating expenses	851	668
	87.451	88.813
Net operating profit (loss)	19.262	19.856
Financial expenses, net	3.221	3.824
Profit (loss) before income tax	16.041	16.032
Income tax expenses	5.313	5.572
Profit result for the period for continued operations	10.728	10.460
Discontinued operations	912	(226)
Profit result for the period	11.640	10.234
Attributable to:		
Equity holders of the Company	11.356	10.024
Minority interest	284	210
	11.640	10.234

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2007 AND 30 JUNE 2006

(Amounts stated in Euro thousand)

	June 2007	June 2006
Collections from clients	144.208	149.341
Payments to suppliers	(84.188)	(70.449)
Payments to employees	(25.671)	(26.260)
Cash flow from operations	34.349	52.632
Other payments relating to operating activities, net	(25.738)	(25.350)
Cash flow before extraordinary items	8.611	27.282
Cash flows from operating activities (1)	8.611	27.282
INVESTING ACTIVITIES:		
Receipts resulting from:		
Fixed assets	64	28
Dividends	53	53
	117	81
Payments resulting from:		
Financial investments	(2.770)	(1.137)
Fixed assets	(4.272)	(4.735)
Loans to affiliated companies	-	(585)
	(7.042)	(6.457)
Cash flows from investing activities (2)	(6.925)	(6.376)
FINANCING ACTIVITIES:		
Receipts resulting from:		
Loans obtained	102.201	-
Interest and similar income	225	264
	102.426	264
Payments resulting from:		
Loans repaid	(99.165)	(16.878)
Leases	(576)	(752)
Interest and related expenses	(3.079)	(2.598)
Other financial expenses	(371)	(1.491)
	(103.191)	(21.719)
Cash flows from financing activities (3)	(765)	(21.455)
Variation of cash and equivalents (4) = (1) + (2) + (3)	921	(549)
Cash and equivalents at the begining of the year	8.611	3.608
Cash and equivalents at the end of the year	9.532	3.059