

IMPRESA

Results of the 1st Quarter 2018

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Press Release: IMPRESA Accounts of the 1st Qt 2018

1. Main events of the 1st quarter 2018

- Consolidated EBITDA reached 1.8 M€, which is a significant improvement (+2.2 M€) relative to the negative pro-forma of 0,4 M€ of the 1st quarter of 2017.
- SIC's EBITDA reached 2.4 M€ in 1st quarter 2018, a 230.3% jump year-on-year.
- The Publishing EBITDA was positive by 9,400 Euros, an improvement of 0.48 M€ versus the proforma EBITDA of the 1st quarter 2017.
- Net remunerated debt fell 6.0 M€, year-on-year, to 185.6 M€.
- The total revenues of the IMPRESA Group reached 39.2 M€, roughly in line the pro-forma turnover of the 1st quarter of 2017. The increase registered in advertising revenues (+1.1%) was offset by the decline in other revenues. Noteworthy, the Publishing revenues rose 20,3% against the pro-forma of 1st quarter 2017.
- The operating costs reduction policy continued, with a 5.9% decline in the 1st quarter of 2018 in relation to the pro-forma accounts of the same quarter of 2017.
- Financial results improved by 17.8% to 1.5 M€.
- IMPRESA obtained a negative net income of 0.64 M€, which represents a significant improvement (+77.1%) relative to the negative 2.8 M€ of the 1st quarter of 2017.
- SIC ended the 1st quarter of 2018 with an average share of 17.6%, maintaining its leadership position in the commercial target (A/B CD 25/54) during prime time, with a share of 21.3%.
- SIC Notícias once again stood out as the leading information channel, with a share of 1.7%, and SIC Mulher reached the best audience of its history with 1.0% in the 1st quarter of 2018.
- Expresso newspaper continued to be the most sold newspaper in Portugal, with an average per edition of 92.5 thousand copies, according to the APCT, for the period of jan-fev of 2018.
- The continued focus on digital formats is reflected in the total revenues from the advertising and circulation areas, with digital revenues digital currently representing 21.7% of the total turnover of the Publishing area.



- Also, with the renewed focus in digital area, it was launched a new lifestyle website, www.famashow.pt, reinforcing the Group's presence in the digital arena, and in particularly SIC, in female segment.

The 1st quarter 2018 accounts are compared with proforma accounts of the 1st quarter 2017, which were prepared to reflect the impact of the sale magazines portfolio, as well as the simulation of introduction of IFRS 15 and IFRS 19 rules, in 2017.

Table 1. Main Indicators (values in Euros)	Proforma				
	Mar-18	Mar-17	ch %	Mar-17	ch %
Total Revenues	39 209 616	39 345 208	-0,3%	45 268 482	-13,4%
Television	32 384 021	33 728 064	-4,0%	34 596 861	-6,4%
Publishing	6 110 257	5 080 769	20,3%	10 135 246	-39,7%
Infoportugal	609 632	569 495	7,0%	569 495	7,0%
Intersegments & Others	105 706	-33 120	n.a	-33 120	n.a
Operating Costs (1)	37 376 352	39 735 348	-5,9%	45 925 253	-18,6%
EBITDA	1 833 264	-390 140	n.a	-656 771	n.a
EBITDA Margin	4,7%	-1,0%		-1,5%	
EBITDA Television	2 432 374	736 405	230,3%	736 405	230,3%
EBITDA Publishing	9 426	-468 055	n.a.	-723 558	n.a
EBITDA Infoportugal & Others	-608 536	-658 489	7,6%	-645 350	5,7%
Net Profits	-632 789	-	n.a.	-2 759 153	77,1%
Net Debt (M€)	185,6	191,6	-3,1%	191,6	-3,1%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. Net Debt = Loans (ST+MLT) - Cash and Cash Equivalents + Financial Leases. (1) Does not consider Amortisations and Depreciation and Impairment Losses. The 2017 1st quarter proforma accounts reflect the new consolidation perimeter, with the sale of the magazine portfolio, and the impact of the introduction of the IFRS 15 and IFRS 9 rules, if it was applied in the 2017 accounts.



2. Analysis of the Consolidated Accounts

IMPRESA reached, in the 1st quarter of 2018, consolidated revenues of 39.2 M€, which is roughly in line with the pro-forma revenues of the 1st quarter of 2017. The increase registered by advertising revenues was offset by the decrease in IVR, circulation and channel subscription revenues.

As of January 2018, the IFRS 15 standard was adopted, with reference to the recognition of revenue from contracts with customers. The application of this standard led to an rise decline in revenues and operating costs, by same amount of 0.869 M€, without any impact in the cash-flow's. Without this impact, revenues would have declined by 0.2% and operating costs would have fallen 5.7%. Additionally, from January 1st, was adopted the IFRS 9, which if applied in 1st quarter 2017 accounts, but the impact is negligible.

The following should be noted relative to business in the 1st quarter of 2018:

- 1.1% increase in advertising revenues, driven by the new digital area and by an increase in Express newspaper advertising.
- 1.8% decrease in publication sales.
- 1.8% decrease in channel subscription revenues, mainly as a result of the devaluation of the US dollar.
- 3.4% decrease in other revenues, mainly in those related with the IVR, which were partially offset by the growth in the GMTS, associated products and InfoPortugal.

Table 2. Total Revenues (values in Euros)	Proforma			
	Mar-18	Mar-17	ch %	Mar-17
Total Revenues	39 209 616	39 345 208	-0,3%	45 268 481
Advertising	23 149 273	22 898 704	1,1%	24 403 767
Channel Subscription	9 717 714	9 917 401	-2,0%	10 877 843
Circulation	2 251 144	2 292 829	-1,8%	5 557 268
Other revenues	4 091 485	4 236 274	-3,4%	4 429 604

In relation to the pro-forma accounts of the 1st quarter of 2017, operating costs in the 1st quarter of 2018, without considering amortisation and depreciation, fell 5.9%. This decrease benefitted from the reduction in staff costs, following the restructuring undertaken in 2017, the reduction in programming costs and the contraction in multimedia activity.

Consolidated EBITDA was positive by 1.8 M€ in the 1st quarter of 2018, representing a significant improvement relative to the 1st quarter of 2017, in which the pro-forma accounts indicated a negative EBITDA of about 309.1 thousand euros.

The volume of amortisations fell slightly (-0.7%) to 0.9 M€ in the 1st quarter, in spite of the increase in investments over the last 2 years. The expansion project of the IMPRESA building is expected to be concluded in the by the end of 2018.



In the 1st quarter of 2018, the negative financial results came to 1.5 M€, down 17.8% relative to 1.8 M€ of the 1st quarter of 2017. This improvement is due to the reduction in financial costs and, at the same time, exchange rate gains recorded during the 1st quarter of the year. In the results of associated companies, there was also an improvement, with a positive contribution, against the losses registered in 1st quarter of 2017.

Net income at the end of the 1st quarter of 2018 is still negative by 0.64 M€, in spite of a significant improvement (+77.1%) relative to the losses of 2.8 M€ in the same period of 2017.

Table 3. Profit & Loss		Proforma				
(values in Euros)		Mar-18	Mar-17	ch %	Mar-17	ch %
Total Revenues		39 209 616	39 345 208	-0,3%	45 268 482	-13,4%
Television		32 384 021	33 728 064	-4,0%	34 596 861	-6,4%
Publishing		6 110 257	5 080 769	20,3%	10 135 246	-39,7%
Infoportugal & Others		609 632	569 495	7,0%	569 495	7,0%
Intersegments		105 706	-33 120	n.a	-33 120	n.a
Operating Costs (1)		37 376 352	39 735 348	-5,9%	45 925 253	-18,6%
Total EBITDA		1 833 264	-390 140	n.a	-656 771	n.a
EBITDA Margin		4,7%	-1,0%		-1,5%	
Television		2 432 374	736 405	230,3%	712 137	241,6%
Publishing		9 426	-468 055	n.a.	-723 558	n.a
Infoportugal & Others		-608 536	-658 489	7,6%	-645 350	5,7%
Depreciation		900 503	907 259	-0,7%	907 259	-0,7%
EBIT		932 761	-1 297 399	n.a.	-1 564 030	n.a
EBIT Margin		2,4%	-3,3%		-3,5%	
Financial Results		1 480 394	1 800 190	-17,8%	1 800 190	-17,8%
Res. Bef Taxes & Minorities		-547 633	-3 097 588	82,3%	-3 364 220	-83,7%
Income Tax (IRC)(-)		85 156	-		-605 067	n.a
Net Profit		-632 789	-	0,0%	-2 759 153	77,1%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. In the 1st quarter of 2018, a total of 111.8 thousand euros in compensations was recorded, while in the 1st quarter of 2017, the amount came to 261.4 thousand euros. The 2017 1st quarter proforma accounts reflect the new consolidation perimeter, with the sale of the magazine portfolio, and the impact of the introduction of the IFRS 15 and IFRS 9 rules, if it was applied in the 2017 accounts.

In terms of the balance sheet, in the 1st quarter of 2018, net debt, including financial leases, stood at 185.6 M€, i.e. a year-on-year decrease of 6.0 M€.



3. Television – SIC

Table 4. Television Indicators		Proforma		
(values in Euros)	Mar-18	Mar-17	ch %	Mar-17
Total Revenues	32 384 021	33 728 064	-4,0%	34 596 861
Advertising	19 947 841	20 325 213	-1,9%	20 325 213
Channel Subscriptions	9 717 714	9 917 401	-2,0%	10 877 843
Multimedia	1 720 215	2 452 832	-29,9%	2 361 188
Other revenues	998 252	1 032 617	-3,3%	1 032 617
Operating Costs (1)	29 951 647	32 991 659	-9,2%	33 884 724
EBITDA	2 432 374	736 405	230,3%	712 137
EBITDA Margin (%)	7,5%	2,2%		2,1%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. SIC incorporated 100.8 thousand euros of restructuring costs in the 1st quarter of 2018, and 50.4 thousand euros in the 1st quarter of 2017. The 2017 1st quarter proforma accounts reflect the impact of the introduction of the IFRS 15 and IFRS 9 rules, if it was applied in the 2017 accounts

SIC achieved total revenues of 32.4 M€ in the 1st quarter of 2018, which represented a decrease of 4.0%, resulting from the downturn across all lines of revenue, and accentuated by the decline in IVR revenues by 29.9%. Without the impact of the adoption of IFRS 15, revenues would only have fallen by 3.7%.

Advertising revenues reached 19.9 M€ in the 1st quarter, down 1.9% in comparison with the 1st quarter of 2017, resulting from the weak performance of other commercial revenues.

SIC ended the 1st quarter of 2017 with an average share of 17.6%, unchanged from the same quarter of the previous year, maintaining its leadership position in the main commercial target (A/B C D 25/54) during prime time, amongst generalist channels, with a share of 21.3%. During the week, SIC continues its leading position with a share of 21.3%. The good performance of “Jornal da Noite” and of the soap operas “Paixão” and “Espelho de Água” contributed to these good results.

SIC's set of generalist and thematic channels obtained a collective market share of 21.1% in the 1st quarter of 2018, representing 0.1 pp less in comparison with the 1st quarter of 2017. In the commercial target (A/B C D 25/54), SIC's group of channels ended in the leading position, with a share of 21.5%.

Subscription revenues generated by the 8 SIC channels, distributed over cable and satellite, in Portugal and abroad, fell 2.0% in the 1st quarter of 2018 to 10.7 M€. This decrease was due to the devaluation of the US dollar, which in turn penalised the foreign contracts.

In terms of audiences, in the 1st quarter of 2018, SIC's subscription channels reached a collective market share of 3.5%, 0.1 pp lower year-on-year. SIC Notícias stood out once again as the leading information channel most preferred by the Portuguese, with a share of 1.7%.



Regarding the other thematic channels, in the 1st quarter of 2018, SIC Mulher, SIC Caras and SIC K increased and obtained, respectively, a market share of 1.0% - a record for SIC Mulher, of 0.3% and of 0.2%, while SIC Radical reached a share of 0.3%, having fallen 0.1 pp.

IVR revenues in the 1st quarter fell 29.9% to 1.7 M€, as a result of the discontinuation of some programmes, namely “A Vida nas Cartas”, from September 2017 and “Juntos à Tarde”, from the beginning of March 2018.

Other revenues fell 3.3% in the 1st quarter of 2018 to 1.0 M€, as a result of lower content sales, in spite of the growth by GMTS.

Operating costs, as a result of the restructuring process that took place during 2017, fell 9.2% in the 1st quarter of 2018, as a direct consequence of the reduction of personnel, programming and IVR costs. Without the adoption of the IFRS 15 standard, operating costs would have fallen 8.9%.

The reduction of operating costs enabled a strong expansion of EBITDA, which came to 2.4 M€ in the 1st quarter of 2018, more than tripling the 0.7 M€ registered in the same period of the previous year.



4. IMPRESA Publishing

Table 5. Publishing Indicators (values in Euros)	Proforma			
	Mar-18	Mar-17	ch %	Mar-17
Total Revenues	6 110 257	5 080 769	20,3%	10 135 246
Circulation	2 251 144	2 292 829	-1,8%	5 557 268
Advertising	3 195 943	2 474 507	29,2%	3 966 067
Associated products	141 362	78 167	80,8%	309 456
Other revenues	521 808	302 455	72,5%	302 455
Operating Costs (1)	6 100 831	5 548 824	9,9%	10 858 803
EBITDA	9 426	-468 055	n.a.	-723 558
EBITDA Margin (%)	0,2%	-9,2%		-7,1%
EBITDA Adjusted	20 487	-258 046	n.a.	-513 549
EBITDA Margin (%)	0,3%	-5,1%		-5,1%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. In the 1st quarter of 2017, Publishing incorporated 210 thousand euros of restructuring costs. The 2017 1st quarter proforma accounts reflect the new consolidation perimeter, with the sale of the magazine portfolio, and the impact of the introduction of the IFRS 15 and IFRS 9 rules, if it was applied in the 2017 accounts

With the sale of the portfolio of publications at the start of 2018, the Publishing segment now has a different consolidation perimeter, which includes the following areas: the Expresso newspaper, the site Blitz, the New Media Solutions (which includes the Customer Publishing), the Boa Cama Boa Mesa (previously in InfoPortugal) and the commercial management of websites, which since the beginning of 2018, began to incorporate the sites Noticias ao Minuto, Zero Zero, in addition to the Portuguese LinkedIn, dating back to 2016. Pro-forma accounts are presented relative to the 1st quarter of 2017, which reflect that new consolidation perimeter, and with which comparisons were made.

In the Publishing segment, during the 1st quarter of 2018, total revenues increased 20.3% relative to the pro-forma accounts of the 1st quarter of 2017 to 6.1 M€. Advertising revenues, associated products and other revenues contributed to this increase.

Circulation revenues fell 1.8% to 2.2 M€, affected by the closure of the Blitz magazine and a weaker performance by the Expresso newspaper. Noteworthy are the digital subscription revenues, which grew by more than 30%, in comparative terms, in the 1st quarter, representing 15.0% of total circulation revenues. In mid-April, the Expresso newspaper rose its cover price to 3.80 euros.

Advertising revenues reached 3.2 M€ in the 1st quarter of 2018, having increased 29.2%, when compared to the pro-forma figures of the same period of 2017. In spite of the increase in paper advertising revenues, the most significant contribution came from the digital segment, boosted by the good results of new account's, which increased by about 50%, bringing digital advertising revenues to about 32.0% of total advertising revenues of the renewed Publishing area.

The continued focus on digital formats is reflected in the total revenues from the advertising and circulation areas, currently representing 21.7% of the total turnover of the Publishing area.



The sales of alternative products reached 141 thousand euros, with the contribution of the sale of the collection of DVDs - "Os Oscar" and of the edition of 2018 of the Guia Boa Cama Boa Mesa, representing an increase of 80.8% in comparison with the pro-forma accounts of the 1st quarter of 2017. Other revenues increased 72.5% to 522 thousand euros, boosted by the contribution of the New Media Solutions unit.

The sale of the portfolio of magazines, and the implemented reorganisation measures implemented during 2018, permitted the continuation of the policy of tight control of operating costs. However, the new activities included in the consolidation perimeter led to an increase of 9.9% in operating costs, but which were much lower than the growth registered in revenues, of more than 20%.

The combined performance of revenues and operating costs, without recording restructuring costs, resulted in a positive EBITDA, having reached 9 thousand euros, compared with the negative 742 thousand euros registered in the pro-forma of the 1st quarter of 2017.



5. IMPRESA Other

Table 6. IMPRESA Others Indicators (values in Euros)	Proforma				
	Mar-18	Mar-17	ch %	Mar-17	ch %
Total Revenues	715 337	536 376	33,4%	536 376	33,4%
Infoportugal	609 632	569 495	7,0%	569 495	7,0%
Intersegments & Others	105 706	-33 120	n.a	-33 120	n.a
Operating Costs (1)	1 323 873	1 194 865	10,8%	1 181 726	12,0%
EBITDA	-608 536	-658 489	7,6%	-645 350	5,7%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. The 2017 1st quarter proforma accounts of the segment others, reflects the introduction of the IFRS 15 and IFRS 9 rules, if it was applied in the 2017 accounts

This segment includes the management and financial costs of the IMPRESA holding and also includes the operating activities of Infoportugal, a company dedicated to information technologies and content production, namely aerial photography, cartography and georeferenced contents, and the exploitation of the photography website and of the Olhares Academy. Relative to 2017, the activity related to Boa Cama Boa Mesa was transferred to the Publishing segment, as of January 2018.

In the 1st quarter of 2018, the strong growth of cartography projects was maintained, together with new content supply contracts, which permitted Infoportugal to reach operating revenues of 609.6 thousand euros, representing a gain of 7.0% relative to the same period of 2017.

In terms of consolidated results, in the 1st quarter of 2018 the EBITDA of this segment was negative by 608 thousand euros, representing nonetheless a year-on-year improvement of approximately 7.6%, driven by the improvement of the InfoPortugal margin.



6. Prospects

The results obtained in the 1st quarter of 2018, allows IMPRESA to confirm the objective's for 2018, namely to rise the profitability in terms of EBITDA and Net Profits.

Lisbon, May 3rd, 2018

On behalf of the Board of Directors

José Freire
Investor Relations Director
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IMPRESA - Sociedade Gestora de Participações Sociais, S.A.

Consolidated Accounts
(values in Euros)

ASSETS	March 2018	Dec 2017 (pro-forma)
NON CURRENT ASSETS		
Goodwill	268 622 821	268 622 821
Other intangible assets	259 823	313 863
Tangible fixed assets	30 066 485	29 882 242
Financial investments	3 642 272	3 614 521
Investment properties	1 478 489	1 478 489
Program Rights & Inventories	5 296 997	4 959 298
Other assets	5 346 654	5 567 277
Defered Taxes	1 604 152	1 605 884
Total Non Current Assets	<u>316 317 693</u>	<u>316 044 395</u>
CURRENT ASSETS		
Program Rights & Inventories	11 184 674	13 133 704
Customers - current account	29 328 065	36 258 860
Other receivables	15 048 390	5 195 593
Cash and equivalents	2 601 658	3 824 133
Total Current Assets	<u>58 162 787</u>	<u>58 412 290</u>
Assets Liabe for sale	3 200 000	13 845 466
TOTAL ASSETS	<u>377 680 480</u>	<u>388 302 151</u>
	March 2018	Dec 2017
EQUITY, MINORITIES AND LIABILITIES		
EQUITY		
Capital	84 000 000	84 000 000
Share issue premiums	36 179 272	36 179 272
Legal reserve	2 001 797	2 001 797
Retained earnings and other reserves	183 670	21 774 666
Consolidated net profit	(632 789)	(21 590 996)
Total Equity Funds	<u>121 731 950</u>	<u>122 364 739</u>
LIABILITIES		
NON CURRENT LIABILITIES		
Loans	80 311 082	82 996 798
Leasing	323 010	509 849
Provisions for risk and charges	4 500 304	4 502 402
Defered taxes	339 650	339 650
Total Non Current Liabilities	<u>85 474 046</u>	<u>88 348 699</u>
CURRENT LIABILITIES		
Loans	107 198 238	98 483 960
Leasing	386 583	258 424
Suppliers payables	23 516 205	32 035 967
Defered Taxes	1 302 184	1 324 841
Other current liabilities	38 071 274	43 554 780
Total Current Liabilities	<u>170 474 484</u>	<u>175 657 972</u>
TOTAL EQUITY, MINORITIES AND LIABILITIES	<u>377 680 480</u>	<u>386 371 410</u>



IMPRESA - Sociedade Gestora de Participações Sociais, S.A.

Consolidated Accounts
(values in Euros)

	March 2018	March 2017
REVENUES		
Goods	2 385 197	5 867 528
Services	36 499 635	39 275 097
Other	324 784	125 857
Total Revenues	<u>39 209 616</u>	<u>45 268 482</u>
OPERATING COSTS		
Program costs and of goods sold	(17 794 308)	(20 587 201)
External Supplies	(8 869 111)	(12 553 380)
Personnel costs	(10 297 613)	(12 370 459)
Depreciation	(900 503)	(907 259)
Provisions and impairment	(108 000)	(135 000)
Other operating costs	(307 320)	(279 212)
Total Operating Costs	<u>(38 276 855)</u>	<u>(46 832 511)</u>
Operating Results	<u>932 761</u>	<u>-1 564 029</u>
FINANCIAL RESULTS		
Gains & Losses in Associated Companies	27 751	(79 288)
Other Financial Costs	(1 508 145)	(1 720 902)
Financial Results	<u>(1 480 394)</u>	<u>(1 800 190)</u>
Results before income taxes	<u>-547 633</u>	<u>-3 364 219</u>
Income Taxes	(85 156)	605 067
Consolidated Net profit	<u><u>-632 789</u></u>	<u><u>-2 759 152</u></u>