

IMPRESA

Results of the 1st Quarter 2016

IMPRESA – SGPS, S.A.
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IMPRESA Accounts of the 1st Quarter 2016

1. Main events of the 1st Quarter 2016

- IMPRESA reached a negative net income of 2.4 M€, up 13.3% relative to the 1st quarter of 2015.
- IMPRESA still managed, however, to reduce its net debt by almost 3.7 M€ year-on-year
- Total revenues of the IMPRESA Group fell 4.2% to 47.9 M€. This decline resulted from a reduction in subscription, circulation and advertising revenues, particularly in the Publishing segment.
- EBITDA, after adjusting for restructuring costs, decreased by 31.2% to 0.7 M€
- SIC ended the 1st quarter of 2016 with an average share of 18.1% and continues its leadership, during weekday prime time, of the commercial target (A/B CD 25/54) with a share of 24.5%.
- SIC Notícias stood out, once again, as the leading information channel, with a share of 2.2% - the highest since 2012, and achieved the 2nd position in the ranking of subscription channels, only outrun by the Hollywood channel.
- In the digital area, it is important to point out that in the 1st quarter the Expresso newspaper exceeded the average number of 19,000 digital buyers, which includes subscribers and digital sales, having represented about 20% of the newspaper's total sales.
- On the April 20th, the SIC soap opera “Coração d’Ouro”, currently being exhibited in SIC prime-time, received the gold medal at New York Film Festival, on the Soap Opera category, and the other SIC novella “Mar Salgado” broadcasted in 2015, took the 3rd place.



Table 1. Main Indicators			
(values in Euros)	mar-16	mar-15	ch %
Total Revenues	47.912.195	50.014.467	-4,2%
Television	36.849.567	37.858.630	-2,7%
Publishing	10.709.553	11.798.869	-9,2%
Infoportugal & Others	446.911	446.565	0,1%
Intersegments	-93.836	-89.597	-4,7%
Operating Costs (1)	47.699.041	49.030.909	-2,7%
EBITDA	213.154	983.558	-78,3%
EBITDA Margin	0,4%	2,0%	
EBITDA Television	2.032.708	2.285.602	-11,1%
EBITDA Publishing	-559.065	-331.025	-68,9%
EBITDA Infoportugal & Others	-1.260.489	-971.019	-29,8%
EBITDA Adjusted (w/reest)	685.464	996.989	-31,2%
Net Profits	-2.444.785	-2.820.603	13,3%
Net Debt (M€)	194,9	198,6	-1,9%

Note: EBITDA = Net Operating Income + Amortisation and Depreciation + Impairment Losses. Net Debt = Loans Obtained (Short-Term + Medium/Long-Term) – Cash and Cash Equivalents. (1) Amortisation, Depreciation and Impairment Losses are not considered.



2. Consolidated Accounts Analysis

In the 1st quarter of 2016, IMPRESA reached consolidated revenues of 47.9 M€, which represented a decline of 4.2% in relation to the 50.0 M€ registered in the 1st quarter of 2015. This decrease was influenced by the reduction of subscription, circulation and advertising revenues in the Publishing segment.

The following should be noted relative to business in the 1st quarter of 2016:

- 1.6% decrease in advertising revenues, mainly in the Publishing segment.
- 12.4% decrease in channel subscription revenues, explained by the decrease on national and international values
- 8.4% decrease in publication sales.
- 5.3% increase in other revenues, namely of alternative products, multimedia, technical services, InfoPortugal and Customer Publishing.

Table 2. Total Revenues

(values in Euros)	mar-16	mar-15	ch %
Total Revenues	47.912.195	50.014.467	-4,2%
Advertising	23.920.724	24.318.241	-1,6%
Channel Subscription	11.109.134	12.681.028	-12,4%
Circulation	5.534.908	6.040.097	-8,4%
Other revenues	7.347.428	6.975.101	5,3%

In the 1st quarter of 2016, operating costs, without considering depreciation charges, decreased by 2.7% in relation to the same period of the previous year. These lower costs benefitted from the restructuring undertaken at the end of 2015, as well as from the new organisation implemented already this year. These measures resulted in a decrease of 4.3% in fixed costs in the 1st quarter of 2016, with a greater emphasis on staff costs. In this 1st quarter, operating costs were also affected by 0.5 M€ of restructuring costs.

In spite of the fall in revenues, the recent measures allowed EBITDA, after adjusting for restructuring costs, to remain at 0.7 M€ in the 1st quarter of 2016, 300 thousand euros less than in the same period of 2015. Non-adjusted EBITDA reached 213 thousand euros.

The depreciation charges fell by 7.7% to 0.9 M€ in the 1st quarter of 2016.

In the 1st quarter of 2016, financial results were negative by 2.3 M€, a significant improvement (-34.6%) relative to the value of 3.4 M€ in the 1st quarter of 2015. This improvement is explained by the 35.4% decrease in financial costs, resulting from the renegotiation of the financing lines and the lower interest rates, simultaneously with a strong reduction in exchange rate losses. On the opposite side, a loss was registered for financial investments related to associated companies, namely LUSA, of about 273 thousand euros.



Net income at the end of the 1st quarter of 2016 was negative to the value 2.4 M€. It nonetheless represents an improvement of 13.3% in relation to the net loss obtained in the 1st quarter of 2015.

Table 3. Profit & Loss			
(values in Euros)	mar-16	mar-15	ch %
Total Revenues	47.912.195	50.014.467	-4,2%
Television	36.849.567	37.858.630	-2,7%
Publishing	10.709.553	11.798.869	-9,2%
Infoportugal & Others	446.911	446.565	0,1%
Intersegments	-93.836	-89.597	4,7%
Operating Costs (1)	47.699.041	49.030.909	-2,7%
Total EBITDA	213.154	983.558	-78,3%
EBITDA Margin	0,4%	2,0%	
Television	2.032.708	2.285.602	-11,1%
Publishing	-559.065	-331.025	-68,9%
Infoportugal & Others	-1.260.489	-971.019	-29,8%
Total EBITDA adjusted (w/reest charges)	685.464	996.989	-31,2%
EBITDA Margin	1,4%	2,0%	
Depreciation	876.961	950.444	-7,7%
EBIT	-663.807	33.114	n.a.
EBIT Margin	-1,4%	0,1%	
Financial Results	2.257.712	3.449.991	-34,6%
Res. Bef Taxes & Minorities	-2.921.519	-3.416.877	14,5%
Income Tax (IRC)(-)	-476.734	-596.274	20,0%
Net Profit	-2.444.785	-2.820.603	13,3%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses.

In terms of the balance sheet, net debt in the 1st quarter of 2016 - including financial leases, stood at 194.9 M€, i.e. a reduction of 3.7 M€ relative to the same quarter of the previous year.

At the end of the 1st quarter of 2016, medium and long-term bank debt represented approximately 72.7% of total debt.



2. Television – SIC

Table 4. Television Indicators			
(values in Euros)	mar-16	mar-15	ch %
Total Revenues	36.849.567	37.858.630	-2,7%
Advertising	19.777.339	19.296.580	2,5%
Channel Subscriptions	11.109.134	12.681.028	-12,4%
Multimedia	4.982.222	4.852.363	2,7%
Other revenues	980.872	1.028.659	-4,6%
Operating Costs (1)	34.816.859	35.573.028	-2,1%
EBITDA	2.032.708	2.285.602	-11,1%
EBITDA Margin (%)	5,5%	6,0%	

Note: EBITDA = Net Operating Income + Amortisation and Depreciation + Impairment Losses. (1) Amortisation, Depreciation and Impairment Losses are not considered.

SIC finished the 1st quarter of 2016 with total revenues of 36.8 M€, representing a decline of 2.7%. This decrease is almost entirely explained by the reduction in channel subscription revenues.

In the 1st quarter of 2016, advertising revenues increased by 2.5%, reaching 19.8 M€, in spite of having been penalised by the lower audiences recorded in this period, and the Easter holidays which took place in the 1st quarter (in the 2nd quarter in 2015).

SIC ended the 1st quarter of 2016 with an average share of 18.1%, 0.9 percentage points less than the same quarter in the previous year. During prime time, SIC maintained its leadership position in the main commercial target (A/B C D 25/54), amongst generalist channels, with a share of 22.8%. On weekdays, its leadership was even more pronounced with a share of 24.5%. The performance of “Jornal da Noite” and of the soap operas “Coração de Ouro” and “Poderosas” contributed to these good results. And in May, the successor of “Poderosas” - the soap “Rainha das Flores” is going to debut, with very high expectations.



On the April 20th, the SIC the soap “Coração d’Ouro”, currently being exhibited in SIC prime-time, received the gold medal at New York Film Festival, on the Soap Opera Category, and the other soap opera “Mar Salgado” broadcasted in 2015, took the 3rd place. This recognition reinforces the commitment of the domestic SIC fiction in partnership with SP Productions.

In the 1st quarter of 2016, SIC's generalist and thematic channels obtained a collective market share of 21.9%, 0.5 pp less than the 1st quarter of 2015. In the commercial target



(A/B C D 25/54), the group of SIC channels ended in a leading position, with a share of 22.6%, approximately 1.2 pp less than in the same quarter of the previous year.

Subscription revenue generated by SIC's 8 channels, distributed over cable and satellite, in Portugal and abroad, decreased by 12.4% in the 1st quarter of 2016 to 11.1 M€. This decrease was due to the negative impact of the new distribution contracts (but which also

Thematic Channels

	(%)	1º Tri 2016
1º Hollywood		2,5
2º SIC Noticias		2,2
3º TVI24		1,9
4º CMTV		1,7
5º AXN		1,7
6º FOX		1,6
7º Panda		1,5
8º Disney Channel		1,4
23º SIC Mulher		0,6
24º SIC Radical		0,6
45º SIC K		0,2
47º SIC Caras		0,2

Source: GfK, consolidated values

have lower operating costs), a decline in foreign subscribers, particularly in Angola, and the recent depreciation of the North American dollar. The start of this year also marked the expansion of the presence of SIC Caras on the MEO platform, and of SIC K, which at the end of March began to be distributed by Vodafone.

In terms of audiences, in the 1st quarter of 2016, SIC's subscription channels increased their market share, and achieved a collective market share of 3.9%, 0.7 pp more than in the same quarter of the previous year. SIC Notícias stood out, once again, as the information channel most preferred by the Portuguese, with a share of 2.2%, and achieved the 2nd position in the ranking of subscription channels.

Regarding the other thematic channels, in the 1st quarter of 2016 SIC Mulher and SIC Radical obtained a market share of 0.6%, SIC K reached a share of 0.2% and SIC Caras, present on 3 platforms, increased its market share to 0.2%.

Multimedia revenues, after several quarters in decline, registered an increase of 2.7% in the 1st quarter of 2016, reaching 5.0 M€.

All other revenues fell by 4.6% to 980 thousand euros in the 1st quarter of 2016.

Regarding operating costs, there was a decrease of 2.1% in the 1st quarter of 2016, with the stabilisation of the grid costs, lower staff costs and lower costs related to channel distribution.

With the favourable operational performance, EBITDA stood at 2.0 M€ in the 1st quarter of 2016, whereas in the 1st quarter of 2015 that value had stood at 2.3M€, which represents a decrease of 11.1%



4. IMPRESA Publishing

Table 5. Publishing Indicators			
(values in Euros)			
	mar-16	mar-15	ch %
Total Revenues	10.709.553	11.798.869	-9,2%
Advertising	4.134.981	5.049.697	-18,1%
Circulation	5.534.908	6.040.097	-8,4%
Associated products	545.051	397.824	37,0%
Other revenues	494.613	311.251	58,9%
Operating Costs (1)	11.268.618	12.129.894	-7,1%
EBITDA	-559.065	-331.025	-68,9%
EBITDA Margin (%)	-5,2%	-2,8%	

Note: EBITDA = Net Operating Income + Amortisation and Depreciation + Impairment Losses. (1) Amortisation, Depreciation and Impairment Losses are not considered.

In the publishing segment, during the 1st quarter of 2016, total revenues decreased by 9.2% to 10.7 M€, in comparison with the same quarter of the previous year. Advertising and circulation revenues were the main contributors to this decline.

In the 1st quarter of 2016, advertising revenues reached 4.1 M€, and declined 18.1% in relation to the 1st quarter of 2015, in spite of the contribution from the digital area - Expresso Diário, the performance of the websites and classified ad's - which has already represented 17.0% of Publishing's total advertising revenues. In early 2016 the IMPRESA, recovers the commercial management of its own sites, which will potential increase advertising revenues.

The 1st quarter of 2016 was also marked by a lower number of promotional actions, but during which the publications of IMPRESA maintained their leadership positions in the different market segments, which led to an 8.4% decline in circulation revenues relative to the same quarter of the previous year. This occurred in spite of the 18.3% increase registered in revenues from subscriptions - both paper and digital. Digital circulation revenues already represent 4.7% of total circulation revenues. In the digital area, it is important to point out that in the 1st quarter the Expresso newspaper exceeded the average number of 19,000 digital buyers, which includes subscribers and sales, having represented about 20% of the newspaper's total sales.

The focus on digital formats continued to bear fruit in the 1st quarter of 2016, with digital sales of advertising and circulation representing 9% of the total turnover of this area.

The sales of alternative products had a good start to the year, reaching 0.5 M€ in the 1st quarter of 2016, which represents an increase of 37%.

In the Publishing segment, the cost control strategy continues, having resulted in a 7.1% decrease in operating costs in the 1st quarter of 2016, which partially offset the fall in revenues.

The combined performance of revenues and operating costs maintained EBITDA in negative territory, with negative 559 thousand euros in the 1st quarter of 2016, in comparison with the negative 331 thousand euros in the 1st quarter of 2015.



5. IMPRESA Other's

Table 6. IMPRESA Others Indicators & Intersegments			
(values in Euros)	mar-16	mar-15	ch %
Total Revenues	353.075	356.968	-1,1%
Infoportugal & Others	446.911	446.565	0,1%
Intersegments	-93.836	-89.597	4,7%
Operating Costs (1)	1.613.564	1.327.987	21,5%
EBITDA	-1.260.489	-971.019	-29,8%

Note: EBITDA = Net Operating Income + Amortisation and Depreciation + Impairment Losses. (1) Amortisation, Depreciation and Impairment Losses are not considered.

This segment, which includes the management and financial costs of the holding, 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.

In the 1st quarter of 2016, Infoportugal & Other achieved operating revenues of 447 thousand euros, which stay in line with revenues of the 1st quarter of 2015. In the 1st quarter of 2016, InfoPortugal invested 0.3 M€ on a new photo camera, which will enable it to expand its cartography and aerial photography services.

In terms of results, in the 1st quarter of 2016, the EBITDA of this segment was negative in the amount of 1.26 M€, penalised by restructuring costs in the amount of 0.5 M€.



6. Prospects

The results improvement in the 1st quarter of 2016, as well as the maintenance of the main trends, allows the IMPRESA Group to estimate an increase in its net income for 2016, as well as to continue to reduce its interest-earning liabilities.

Lisbon, April 28th, 2016

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)

	March 2016	Dec 2015
ASSETS		
NON CURRENT ASSETS		
Goodwill	300.892.821	300.892.821
Other intangible assets	490.939	530.660
Tangible fixed assets	28.131.809	27.843.127
Financial investments	3.794.524	4.037.804
Investment properties	5.912.440	5.912.440
Program Rights & Inventories	6.936.480	7.444.931
Other assets	5.457.847	5.533.924
Deferred Taxes	642.584	620.908
Total Non Current Assets	<u>352.259.444</u>	<u>352.816.615</u>
CURRENT ASSETS		
Program Rights & Inventories	16.998.980	16.518.598
Customers - current account	29.912.792	24.156.864
Other receivables	7.027.415	6.461.483
Cash and equivalents	4.380.599	3.520.079
Total Current Assets	<u>58.319.786</u>	<u>50.657.024</u>
TOTAL ASSETS	<u><u>410.579.230</u></u>	<u><u>403.473.639</u></u>
	March 2016	Dec 2015
EQUITY, MINORITIES AND LIABILITIES		
EQUITY		
Capital	84.000.000	84.000.000
Share issue premiums	36.179.272	36.179.272
Legal reserve	1.247.348	1.247.348
Retained earnings and other reserves	20.346.244	16.318.585
Consolidated net profit	(2.444.785)	4.027.569
Equity of IMPRESA shareholders	<u>139.328.079</u>	<u>141.772.774</u>
Equity of minority interests		
Total Equity Funds	<u><u>139.328.079</u></u>	<u><u>141.772.774</u></u>
LIABILITIES		
NON CURRENT LIABILITIES		
Loans	140.421.516	142.067.857
Leasing	4.472.050	4.698.391
Provisions for risk and charges	4.005.820	3.887.349
Deferred taxes	396.946	396.946
Total Non Current Liabilities	<u>149.296.332</u>	<u>151.050.543</u>
CURRENT LIABILITIES		
Loans	53.313.451	34.247.423
Leasing	1.060.239	1.275.418
Suppliers payables	25.739.698	35.944.833
Other current liabilities	41.841.431	39.182.626
Total Current Liabilities	<u>121.954.819</u>	<u>110.650.300</u>
TOTAL EQUITY, MINORITIES AND LIABILITIES	<u><u>410.579.230</u></u>	<u><u>403.473.617</u></u>

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

Consolidated Accounts
(values in Euros)

	March 2016	March 2015
REVENUES		
Goods	6.085.386	6.437.045
Services	41.596.280	43.452.054
Other	230.529	125.368
Total Revenues	<u>47.912.195</u>	<u>50.014.467</u>
OPERATING COSTS		
Program costs and of goods sold	(19.661.927)	(19.872.465)
External Supplies	(14.517.567)	(15.458.947)
Personnel costs	(12.999.989)	(13.177.867)
Depreciation	(876.961)	(950.444)
Provisions and impairment	(135.000)	(135.000)
Other operating costs	(384.558)	(386.630)
Total Operating Costs	<u>(48.576.002)</u>	<u>(49.981.353)</u>
Operating Results	<u>-663.807</u>	<u>33.114</u>
FINANCIAL RESULTS		
Gains & Losses in Associated Companies	(243.348)	14.696
Other Financial Costs	(2.014.364)	(3.464.687)
Financial Results	<u>(2.257.712)</u>	<u>(3.449.991)</u>
Results before income taxes	<u>-2.921.519</u>	<u>-3.416.877</u>
Income Taxes	476.734	596.274
Consolidated Net profit	<u><u>-2.444.785</u></u>	<u><u>-2.820.603</u></u>