

IMPRESA

2nd Quarter 2017 Results

IMPRESA – SGPS, S.A.
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Press Release: IMPRESA Accounts 2nd Quarter 2017

1. Main events of the 2nd quarter 2017

- Following the trend of the last few years, net remunerated debt fell 7.5 M€ year-on-year to 189.1 M€.
- IMPRESA achieved a positive net income of 2.8 M€, which represents less se (-22.5% relative to the 2nd quarter of 2016, penalised by the restructuring costs of 1.3 M€ registered during the 2nd quarter of 2017.
- The total revenues of the IMPRESA Group reached 53.9 M€, a decline of 4.8%, although the rise in tv advertising and circulation revenues, did not compensate the decline in the IVR and advertising in the Publishing area.
- The operating costs reduction policy continued, with a decrease of 2.6% in the 2nd quarter of 2017, in spite of the recording of restructuring costs.
- EBITDA adjusted for restructuring costs reached 8.1 M€, representing a year-on-year decline of 6.4%.
- Financial results improved by 13.4% to 1.9 M€.
- SIC ended the 1st half of 2017 with an average share of 17.0%, maintaining its leadership position in the commercial target (A/B CD 25/54) during prime time, on weekdays, with a share of 22.1%.
- SIC Notícias stood out once again as the leading information channel, with a share of 2.1%.
- The EXPRESSO continues to be the newspaper with the highest sales in Portugal, with an average of 91,000 unit sales, according to APCT in the period between January and April 2017.
- The continued focus on digital formats means that digital, advertising and circulation revenues currently represent 10.9% of the total turnover of the Publishing area.
- In April 2017, the new video website of the IMPRESA Group - SMACK.pt was launched, targeting the youngest public.



Table 1. Main Indicators

(Values in €)	jun-17	jun-16	ch %	2nd Qt 2016	2nd Qt 2015	ch %
Total Revenues	99.172.048	104.517.246	-5,1%	53.903.566	56.605.051	-4,8%
Television	76.073.247	80.180.750	-5,1%	41.476.386	43.331.183	-4,3%
Publishing	22.336.980	23.917.474	-6,6%	12.201.734	13.207.921	-7,6%
InfoPortugal	1.096.541	816.060	34,4%	527.046	369.149	42,8%
Intersegments & others	-334.720	-397.039	-15,7%	-301.600	-303.203	-0,5%
Operating Costs	93.031.963	96.045.850	-3,1%	47.106.711	48.346.809	-2,6%
EBITDA	6.140.085	8.471.396	-27,5%	6.796.855	8.258.242	-17,7%
EBITDA Margin	6,2%	8,1%		12,6%	14,6%	
EBITDA Adjusted	7.739.045	9.394.112	-17,6%	8.134.098	8.686.445	-6,4%
EBITDA Television	7.108.129	10.539.609	-32,6%	6.395.992	8.506.901	-24,8%
EBITDA Publishing	274.995	-93.120	n.a.	998.552	465.945	114,3%
EBITDA Infoportugal & Othe	-1.243.039	-1.975.093	37,1%	-597.689	-714.604	16,4%
Net Profit	85.603	1.226.643	-93,0%	2.844.755	3.671.428	-22,5%
Net Debt & Leasings (M€)	189,1	196,6	-3,8%	189,1	196,6	-3,8%

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. (2) Adjusted for 1.56 M€ of restructuring costs in the 1st half of 2017 and 1.38 M€ in the 2nd quarter of 2017, and 922,000 euros in restructuring costs on the 1st semester 2016, which includes 450,000 euros registered on 2^o quarter 2016.



2. Analysis of the Consolidated Accounts

In the 2nd quarter of 2017, IMPRESA reached consolidated revenues of 53.9 M€, which represented a decrease of 4.8% in relation to 56.6 M€ recorded in the 2nd quarter of 2016. This evolution in consolidated revenues was driven by the decline in the multimedia, alternative products and advertising in the Publishing area.

The following should be noted relative to business in the 2nd quarter of 2017:

- 1.0% increase in advertising revenues, with the decrease in paper advertising, offset by the growth in Television and in Digital advertising.
- 0.3% increase in advertising sales, for the 2nd consecutive quarter.
- 1.3% increase in channel subscription revenues, as a result of the expansion of the domestic and international market.
- 36.6% decline in other revenues, namely in multimedia and alternative products.

In the 1st semester of 2017, consolidated revenues reached 99,2 M€, a 5.1% decline versus the 1st semester 2016, with the decline in other revenues, mainly multimedia.

Table 2. Total Revenues						
(Values in €)	jun-17	jun-16	ch %	2nd Qt 2016	2nd Qt 2015	ch %
Total Revenues	99.172.048	104.517.246	-5,1%	53.903.566	56.605.052	-4,8%
Advertising	58.024.403	58.223.918	-0,3%	33.620.636	33.303.194	1,0%
Channel Subscriptions	21.729.433	21.824.596	-0,4%	10.851.590	10.715.462	1,3%
Circulation	11.245.382	11.204.269	0,4%	5.688.114	5.669.361	0,3%
Others	8.172.829	13.264.462	-38,4%	3.743.225	5.917.034	-36,7%

Operating costs in the 2nd quarter of 2017, without considering amortisation and depreciation, fell 2.6% year-on-year. Without considering restructuring costs, this decrease would have come to 4.5%. In the 2nd quarter of 2017, restructuring costs reached 1.3 M€. In the 1st semester 2017, operating costs decreased 3,1%.

In the 2nd quarter of 2017, EBITDA adjusted for restructuring costs reached 8.1 M€, representing a year-on-year decrease of only 6.4%. At the end of the 1st half of 2017, adjusted EBITDA reached 7.7 M€.

The volume of amortisations increased 5.4% to 0.9 M€ in the 2nd quarter, as a result of investments made in 2016. At the end of June 2017, the volume of amortisations reached 1.8 M€, up 4.4%.



In the 2nd quarter of 2017, the negative financial results came to 1.8 M€, down 13.4% relative to 2.1 M€ in the 2nd quarter of 2016. This improvement is due to the reduction in financial costs, along with decline in foreign exchange rate losses. In the results of associated companies, there was a decrease in the losses relative to the same quarter of 2016. At the end of the 1st half of 2017, financial results improved 16.9% relative to the 1st half of 2016.

Net income at the end of the 2nd quarter of 2017 reached 2.8 M€, representing a decrease of 22.5% relative to the net income obtained in the same period of 2016, due to restructuring costs. At the end of the 1st half, net income was slightly positive, having reached 85,603 euros, thus recovering from the losses from the 1st quarter of 2017.

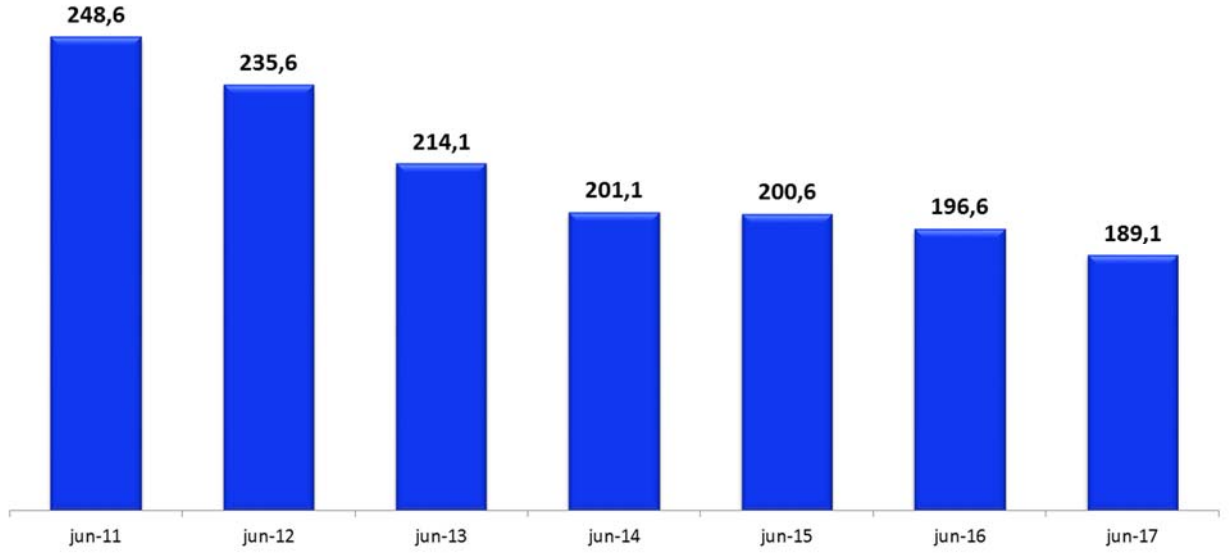
Table 3. Profit & Loss						
(Values in €)	jun-17	jun-16	ch %	2nd Qt 2016	2nd Qt 2015	ch %
Total Revenues	99.172.048	104.517.246	-5,1%	53.903.566	56.605.051	-4,8%
Television	76.073.247	80.180.750	-5,1%	41.476.386	43.331.183	-4,3%
Publishing	22.336.980	23.917.474	-6,6%	12.201.734	13.207.921	-7,6%
InfoPortugal & Others	1.096.541	816.060	34,4%	527.046	369.149	42,8%
Intersegments	-334.720	-397.039	-15,7%	-301.600	-303.203	-0,5%
Operating Costs (1)	93.031.963	96.045.850	-3,1%	47.106.711	48.346.809	-2,6%
Total EBITDA	6.140.085	8.471.396	-27,5%	6.796.855	8.258.242	-17,7%
EBITDA margin	6,2%	8,1%		12,6%	14,6%	
EBITDA Adjusted	7.739.045	9.394.112	-17,6%	8.134.098	8.686.445	-6,4%
Television	7.108.129	10.539.609	-32,6%	6.395.992	8.506.901	-24,8%
Publishing	274.995	-93.120	n.a.	998.552	465.945	114,3%
Infoportugal & Others	-1.243.039	-1.975.093	37,1%	-597.689	-714.604	16,4%
Depreciation	1.807.926	1.731.726	4,4%	900.667	854.765	5,4%
EBIT	4.332.159	6.739.670	-35,7%	5.896.188	7.403.477	-20,4%
EBIT Margin	4,4%	6,4%		10,9%	13,1%	
Financial Results (-)	3.641.049	4.383.905	-16,9%	1.840.859	2.126.193	-13,4%
Res. bef. Taxes & Minorities	691.110	2.355.765	-70,7%	4.055.329	5.277.284	-23,2%
Taxes (IRC)(-)	605.507	1.129.122	-46,4%	1.210.574	1.605.856	-24,6%
Net Profits	85.603	1.226.643	-93,0%	2.844.755	3.671.428	-22,5%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. (2) Adjusted for 1.56 M€ of restructuring costs in the 1st half of 2017 and 1.33 M€ in the 2nd quarter of 2017.

In terms of the balance sheet, in the 1st half of 2017, net debt, including financial leases, stood at 189.1 M€, i.e. a year-on-year decrease of 7.5 M€.



Net Debt evolution jun 2017 (M€)





2. Television – SIC

Table 4. Television Indicators						
	jun-17	jun-16	ch %	2nd Qt 2016	2nd Qt 2015	ch %
Total Revenues	76.073.247	80.180.750	-5,1%	41.476.386	43.331.183	-4,3%
Advertising	48.167.359	47.468.511	1,5%	27.842.146	27.691.172	0,5%
Channel Subscriptions	21.729.433	21.824.596	-0,4%	10.851.590	10.715.462	1,3%
Multimedia						
Others	2.002.121	2.446.983	-18,2%	969.504	1.466.111	-33,9%
Operating Costs (1)	68.965.118	69.641.141	-1,0%	35.080.394	34.824.282	0,7%
EBITDA	7.108.129	10.539.609	-32,6%	6.395.992	8.506.901	-24,8%
EBITDA (%)	9,3%	13,1%		15,4%	19,6%	
EBITDA Adjusted	8.496.747	10.592.812	-19,8%	7.733.209	8.506.901	-9,1%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. Includes 1.33 M€ with restructuring costs in the 2nd quarter of 2017.

SIC reached total revenues of 41.5 M€ in the 2nd quarter of 2017, which represented a decrease of 4.3%. This decline is due, almost entirely, to the 47.6% fall in multimedia revenues. In accumulated terms through to the end of June 2017, total revenues fell 5.1% to 76.0 M€

Advertising revenues reached 27.8 M€ in the 2nd quarter of 2017, up 0.5% in comparison with the 2nd quarter of 2016, in spite of the impact of some non-recurrent events which pushed up the 2nd quarter of the previous year, such as the European Football Championship and Rock-in-Rio, which penalised the growth of the advertising market in the television segment during the 2nd quarter. At the end of the 1st half of 2017, advertising revenues grew 1.5% to 48.2 M€

It should be noted that the month of June marked the start of the tour commemorating SIC 25 years, which will travel through the 18th district capitals, in an operation supported by various sponsors, until October 6th, 2017, and will terminate in the city of Lisbon.

SIC ended the 1st half of 2017 with an average audience of 17.5%, 0.6 percentage points less than the same quarter of the previous year, registering in the 2nd quarter of 2017 an average of 17.4%. It managed to, nonetheless, maintain its leadership position in the main commercial target (A/B C D 25/54) during prime time, amongst generalist channels, with a share of 21.4%. During the week, its leadership was more pronounced, with a share of 22.4% in the 1st half of 2017. The performance of “Jornal da Noite” and of the soap operas “Amor Maior” and “Rainha das Flores” and, since May 2017, the debut of “Espelho d’Água”, contributed to this leadership in the commercial targets.

SIC's set of generalist and thematic channels obtained a collective market share of 20.6% in the 1st half of 2017, representing 0.8 pp less in comparison with the 1st



half of 2016. In the commercial target (A/B C D 25/54), SIC's group of channels ended in the leading position, with a share of 21.0%, up 1.2 pp year-on-year.

Subscription revenues generated by the 8 SIC channels, distributed over cable and satellite, in Portugal and abroad, rose 1.3% in the 2nd quarter of 2017 to 10.8 M€. This increase was due to the positive performance in both Portugal and external markets simultaneously. In accumulated terms through to the end of June 2017, total revenues still fell 0.4% to 21.7 M€.

Thematic Audiences

	(%)	1ºSem 2017
1º	CMTV	2,5
2º	Hollywood	2,1
3º	SIC Notícias	2,1
4º	Globo	1,9
5º	TVI24	1,9
6º	Disney Channel	1,8
7º	Panda	1,7
8º	FOX	1,5
21º	SIC Mulher	0,8
36º	SIC Radical	0,4
47º	SIC Caras	0,2
55º	SIC K	0,2

Source: GfK, consolidated values

In terms of audiences, in the 1st half of 2017, SIC's subscription channels reached a collective market share of 3.7%, 0.1 pp lower year-on-year. SIC Notícias stood out once again as the information channel most preferred by the Portuguese, with a share of 2.1%, reaching the 3rd position in the general ranking of subscription channels, having registered an identical performance relative to 2016

Regarding the other thematic channels, in the 1st half of 2017, SIC Mulher and SIC Radical obtained a market share of 0.8% and 0.4%, respectively, while SIC Caras and SIC K reached a share of 0.2%.

IVR revenues in the 2nd quarter fell 47.6% to 1.8 M€, as a result of the discontinuation of the programme "Portugal em Festa" at the beginning of May 2016. In the 1st half of 2017, the latter fell 50.5% to 4.2 M€. From the 3rd quarter of 2017 onwards, IVR initiatives shall be more comparable and register smaller fluctuations.

Other revenues fell 33.9% to 0.97 M€ in the 2nd quarter of 2017, in spite of the increase registered in the sale of contents. In accumulated terms, other revenues decreased 18.2% to 2.0 M€

With regard to operating costs, in the 2nd quarter there was an increase of 0.7%, due to restructuring costs of the value of 1.3 M€. Without considering restructuring costs, operating costs would have fallen 3.1% in the 2nd quarter of 2017.

EBITDA adjusted for restructuring costs came to 7.7 M€ in the 2nd quarter, which represents a decrease of 9.1% compared to the 2nd quarter of 2016, affected by the decline in IVR activity. In the 1st half of 2017, adjusted EBITDA came to 8.5 M€, down 19.8%.



4. IMPRESA Publishing

Table 5. Publishing Indicators

	jun-17	jun-16	ch %	2nd Qt 2016	2nd Qt 2015	ch %
Total Revenues	22.336.980	23.917.474	-6,6%	12.201.734	13.207.921	-7,6%
Circulation	11.245.382	11.204.269	0,4%	5.688.114	5.669.361	0,3%
Advertising	9.705.085	10.650.402	-8,9%	5.739.018	6.515.421	-11,9%
Associated Products	733.287	1.144.581	-35,9%	423.831	599.530	-29,3%
Others	653.225	918.223	-28,9%	350.770	423.610	-17,2%
Operating Costs (1)	22.061.985	24.010.594	-8,1%	11.203.182	12.741.976	-12,1%
EBITDA	274.995	-93.120	n.a	998.552	465.945	114,3%
EBITDA (%)	1,2%	-0,4%		8,2%	3,5%	
EBITDA Adjusted	485.030	335.083	44,7%	998.578	894.148	11,7%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. Includes 210,000 euros of restructuring costs in the 1st half of 2017.

In the Publishing segment, during the 2nd quarter of 2017, total revenues decreased 7.6% to 12.2 M€, in comparison with the same quarter of the previous year. Advertising and associated products revenues were the main contributors to this decline.

Circulation revenues grew 0.3% to 5.7 M€ in the 2nd quarter of 2017. The positive performance registered in this quarter was due to the increase in subscription revenues and the cover prices updating for the majority of the publications. In the 1st half of 2017, circulation revenues increased 0.4%. Digital subscription revenues grew 13.7% in the 2nd quarter, resulting in an increase of 15.5% during the first six months of the year, representing 5.7% of total circulation revenues at the end of the 1st half of 2017.

Advertising revenues reached 5.7 M€ in the 2nd quarter of 2017, having fallen 11.9% in relation to the same quarter of 2016. At the end of the 1st half of 2017, advertising revenues fell 8.9%. It is important to mention the contribution of digital advertising, which represents about 19.7% of the total advertising revenues of Publishing.

The continued focus on digital formats means that digital revenues, advertising and circulation together, currently represent 10.9% of the total turnover of the Publishing area in the 1st half of 2017.

The associated products sales continued to decline, having fallen 29.3% in the 2nd quarter to 424,831 euros, whilst other revenues decreased 17.2%. In accumulated terms through to the end of the 1st half of 2017, revenues generated from associated products fell 35.9% year-on-year.

In terms of operating costs, there was a reduction of 12.1% in the 2nd quarter of 2017, accentuated by the decline in restructuring costs. The reduction of operating costs enabled an EBITDA of 1.0 M€ in the 2nd quarter 2017, representing a year-on-year increase of 114.3%. In accumulated terms through to June 2017, EBITDA came to 274,995 euros, compared to the negative values registered in June 2016.



5. IMPRESA Other

Table 6. Impresa Others Indicators

	jun-17	jun-16	ch %	2nd Qt 2016	2nd Qt 2015	ch %
Total Revenues	761.821	419.021	81,8%	225.446	65.946	241,9%
InfoPortugal & Others	1.096.541	816.060	34,4%	527.046	369.149	42,8%
Intersegments	-334.720	-397.039	-15,7%	-301.600	-303.203	-0,5%
Operating Costs (1)	2.004.860	2.394.115	-16,3%	823.135	780.551	5,5%
EBITDA	-1.243.039	-1.975.093	37,1%	-597.689	-714.604	16,4%
EBITDA Adjusted	-1.243.039	-1.533.783	19,0%	-597.689	-714.604	16,4%

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

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.

In the 2nd quarter of 2017, following the strong growth of cartography projects, Infoportugal reached operating revenues of 527,046 euros, which represents a gain of 42.8% relative to the 2nd quarter of 2016. This good performance achieved during the 2nd quarter of 2017 was due to the growth of the cartography and aerial photography area, which permitted a significant expansion of the segment's margin. In the 1st half of 2017, the revenues of InfoPortugal reached 1.1 M€, up 34.4%.

In terms of consolidated results, in the 2nd quarter of 2017 the EBITDA of this segment was negative by 0.6 M€, representing nonetheless a year-on-year improvement of approximately 16.4%.



6. Prospects

The operating indicators and the net income of the IMPRESA registered in the 2nd quarter of 2017, together with the restructuring measures already implemented, in the improved macroeconomic scenario, point towards the objectives set for this year.

Lisbon, July 27th, 2017

By 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	June 2017	Dec 2016
NON CURRENT ASSETS		
Goodwill	300.892.821	300.892.821
Other intangible assets	311.471	435.821
Tangible fixed assets	28.371.323	28.234.916
Financial investments	3.442.497	3.667.894
Investment properties	5.912.440	5.912.440
Program Rights & Inventories	5.165.484	4.568.154
Other assets	4.841.430	4.941.825
Defered Taxes	811.386	818.427
Total Non Current Assets	<u>349.748.852</u>	<u>349.472.298</u>
CURRENT ASSETS		
Program Rights & Inventories	18.445.940	17.059.014
Customers - current account	36.856.566	37.631.796
Other receivables	5.755.236	6.329.572
Cash and equivalents	3.835.137	3.491.256
Total Current Assets	<u>64.892.879</u>	<u>64.511.638</u>
TOTAL ASSETS	<u><u>414.641.731</u></u>	<u><u>413.983.936</u></u>
	June 2017	Dec 2016
EQUITY, MINORITIES AND LIABILITIES		
EQUITY		
Capital	84.000.000	84.000.000
Share issue premiums	36.179.272	36.179.272
Legal reserve	1.782.188	1.782.188
Retained earnings and other reserves	22.280.225	19.520.330
Consolidated net profit	85.603	2.759.895
Equity of IMPRESA shareholders	<u>144.327.288</u>	<u>144.241.685</u>
Equity of minority interests	-	-
Total Equity Funds	<u><u>144.327.288</u></u>	<u><u>144.241.685</u></u>
LIABILITIES		
NON CURRENT LIABILITIES		
Loans	128.982.853	134.730.289
Leasing	212.190	256.701
Provisions for risk and charges	4.021.853	3.757.354
Defered Taxes	315.456	315.456
Total Non Current Liabilities	<u>133.532.352</u>	<u>139.059.800</u>
CURRENT LIABILITIES		
Loans	63.663.563	51.596.359
Leasing	115.751	111.399
Suppliers payables	32.500.378	29.876.474
Defered Taxes	480.430	-
Other current liabilities	40.021.969	49.096.219
Total Current Liabilities	<u>136.782.091</u>	<u>130.680.451</u>
TOTAL EQUITY, MINORITIES AND LIABILITIES	<u><u>414.641.731</u></u>	<u><u>413.981.936</u></u>

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

Consolidated Accounts
(values in Euros)

	June 2017	June 2016
REVENUES		
Goods	11.969.027	12.337.275
Services	86.815.309	91.043.650
Other	387.712	1.136.321
Total Revenues	<u>99.172.048</u>	<u>104.517.246</u>
OPERATING COSTS		
Program costs and of goods sold	(41.629.507)	(39.554.759)
External Supplies	(24.943.424)	(29.450.999)
Personnel costs	(25.629.976)	(25.706.810)
Depreciation	(1.807.926)	(1.731.726)
Provisions and impairment	(270.000)	(515.000)
Other operating costs	(559.056)	(821.282)
Total Operating Costs	<u>(94.839.889)</u>	<u>(97.780.576)</u>
Operating Results	<u>4.332.159</u>	<u>6.736.670</u>
FINANCIAL RESULTS		
Gains & Losses in Associated Companies	(45.397)	(592.381)
Other Financial Costs	(3.595.652)	(3.791.524)
Financial Results	<u>(3.641.049)</u>	<u>(4.383.905)</u>
Results before income taxes	<u>691.110</u>	<u>2.352.765</u>
Income Taxes	(605.507)	(1.129.122)
Consolidated Net profit	<u>85.603</u>	<u>1.223.643</u>