

IMPRESA

Results - September 2014

IMPRESA – SGPS, S.A.
Public Company
Share Capital Eur 84,000,000
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IMPRESA

Sociedade Gestora de Participações Sociais, SA.

Press Release: IMPRESA Results - September 2014

1. Main Facts:

- **IMPRESA reached a consolidated positive net income of 5.6 M€ representing an increase of 109.9% in relation to the result obtained in the same period of 2013.**
- **IMPRESA achieved an EBITDA of 19.8 M€, representing an increase of 4.1% in relation to the same period of 2013.**
- **IMPRESA reached total revenues of 172.8 M€ representing a year-on-year increase of 2.2%, with a 5.4% growth in advertising.**
- **SIC recorded results before taxes of 17.1 M€, representing a 20.4% year-on-year rise.**
- **SIC has maintained, for 31 months, the leadership in the main commercial targets (A/B C D 15/54 and A/B C D 25/54), during prime time, reaching an average audience of 28.5% and 28.8%, respectively.**
- **The IMPRESA, with a market share of 48.6% was, in the 1st half of 2014 (according to APCT), the largest media group in digital subscriptions. The launch of the digital edition of Expresso Diário in May 2014, with average sales of more than 16,300, is particularly noteworthy.**
- **Net Debt of 188.7 M€ in September 2014, representing a year-on-year reduction of 9.7 M€ This reduction is a reflection of the continued commitment to the financial deleveraging of the Group.**

Table 1. Main Indicators

(Values in €)	Set-14	Set-13	ch %	3th Qt 2014	3th Qt 2013	ch %
Total Revenues	172.809.686	169.036.723	2,2%	53.460.613	56.690.482	-5,7%
Television	129.567.490	123.169.302	5,2%	39.238.736	41.693.054	-5,9%
Publishing	42.090.903	45.529.737	-7,6%	13.970.910	14.893.234	-6,2%
Impresa Others	1.151.293	337.684	240,9%	250.967	104.194	140,9%
Operating Costs	152.990.951	149.993.945	2,0%	50.039.241	51.886.810	-3,6%
EBITDA	19.818.735	19.042.778	4,1%	3.421.372	4.803.672	-28,8%
EBITDA Margin	11,5%	11,3%		6,4%	8,5%	
EBITDA Television	20.802.289	19.161.918	8,6%	3.496.727	4.867.327	-28,2%
EBITDA Publishing	1.880.188	2.816.472	-33,2%	814.737	948.067	-14,1%
EBITDA Impresa Others	-2.863.742	-2.935.612	2,4%	-890.092	-1.011.722	12,0%
Net Profits	5.554.051	2.645.705	109,9%	-384.743	-586.313	34,4%
Net Debt (M€)	188,7	198,4	-4,9%	188,7	198,4	-4,9%

Notes: EBITDA = Net Operating Income + Amortisation and Depreciation. Net Debt = Loans obtained (Current and Non-Current) - Cash and cash equivalents. (1) Does not consider amortisation and depreciation.



2. Analysis of the Consolidated Numbers

In accumulated terms through to the end of September 2014, IMPRESA achieved consolidated revenues of 172.8 M€, representing an increase of 2.2% in relation to 169 M€ achieved in September 2013. In the 3rd quarter of 2014, consolidated revenues came to 53.5 M€, which represented a decrease of 5.7% in relation to 56.7 M€ recorded in the 3rd quarter of 2013.

The following should be noted relative to business up to September 2014:

- 5.4% increase in advertising revenues, with a growth of 8.4% in the television area.
- 1.5% increase in other revenues, namely content sales, in the international markets.
- 0.8% increase in channel subscription revenues.
- 6.8% decline in circulation revenues.

Table 2. Total Revenues						
(Values in €)	Set-14	Set-13	ch %	3th Qt 2014	3th Qt 2013	ch %
Total Revenues	172.809.685	169.036.723	2,2%	53.460.612	56.690.482	-5,7%
Advertising	85.133.082	80.752.394	5,4%	25.896.768	25.619.512	1,1%
Channel Subscriptions	33.699.546	33.418.123	0,8%	11.175.901	11.133.055	0,4%
Circulation	19.326.005	20.736.714	-6,8%	7.047.307	7.099.417	-0,7%
Others	34.651.052	34.129.492	1,5%	9.340.636	12.838.498	-27,2%

Through to the end of September 2014, operating costs, without considering depreciation charges, increased by 2% in relation to September 2013, with fixed costs having only risen 0.9%, mainly due to the effect of the reinstatement (i.e. 10% increase) of senior staff members salaries of the Group, and variable costs having increased by 2%, with costs associated to other revenues being responsible for this rise.

The performances registered in terms of revenues and operating costs led to consolidated EBITDA having reached the value of 19.8 M€ at the end of September 2014, corresponding to a gain of 4.1% in relation to the value achieved for the same period of 2013. The EBITDA margin stood at 11.5%, above the margin of 11.3% reached in the same period of the previous year. In the 3rd quarter of 2014, consolidated EBITDA came to 3.4 M€, a decline relative to the value obtained in the 3rd quarter of 2013. It is important to mention that, in the 3rd quarter of 2014, the increase in television advertising revenues did not offset the margin decline of other revenues, namely those related to Multimedia. It should also be mentioned that, during this period, was celebrated a self-regulation agreement for the telephone participation competitions, between the TV operators, a measure which had negative impact on the evolution of these revenues, came into force.

The depreciation charges fell by 28.7% to 2.9 M€ at the end of September 2014, reflecting the contraction in investment over the last few financial years. In the 3rd quarter of 2014, depreciation decreased by 29.2%.

At the end of September 2014, the negative financial results improved by 10.8% relative to September 2013, standing at 8.1 M€. This variation is mainly explained by the reduction in



interest-bearing liabilities and by the positive performance of the results of the affiliates Vasp and Lusa. In the 3rd quarter of 2014, the financial results improved by 13%.

Results before taxes and non-controlling interests at the end of September 2014 reached 8.8 M€, representing an increase of 49.6% relative to 5.9 M€ achieved in September 2013.

At the end of September 2014, IMPRESA reached a consolidated positive net income of 5.6 M€, representing an increase of 109.9% relative to the net income of 2.6 M€ achieved in September 2013. In the 3rd quarter of 2014, the losses have improved by 34.4% relative to the same quarter of the previous year.

Table 3. Profit & Loss						
(Values in €)	Set-14	Set-13	ch %	3th Qt 2014	3th Qt 2013	ch %
Total Revenues	172.809.686	169.036.723	2,2%	53.460.613	56.690.482	-5,7%
Television	129.567.490	123.169.302	5,2%	39.238.736	41.693.054	-5,9%
Publishing	42.090.903	45.529.737	-7,6%	13.970.910	14.893.234	-6,2%
Impresa Others	1.151.293	337.684	240,9%	250.967	104.194	140,9%
Operating Costs	152.990.951	149.993.945	2,0%	50.039.241	51.886.810	-3,6%
Total EBITDA	19.818.735	19.042.778	4,1%	3.421.372	4.803.672	-28,8%
EBITDA margin	11,5%	11,3%		6,4%	8,5%	
Television	20.802.289	19.161.918	8,6%	3.496.727	4.867.327	-28,2%
Publishing	1.880.188	2.816.472	-33,2%	814.737	948.067	-14,1%
Impresa Others	-2.863.742	-2.935.612	-2,4%	-890.092	-1.011.722	12,0%
Depreciation	2.909.470	4.083.090	-28,7%	876.028	1.238.062	-29,2%
EBIT	16.909.265	14.959.688	13,0%	2.545.344	3.565.610	-28,6%
EBIT Margin	9,8%	8,8%		4,8%	6,3%	
Financial Results (-)	8.079.120	9.055.554	-10,8%	2.733.572	3.141.106	-13,0%
Res. bef. Taxes & Minorities	8.830.145	5.904.134	49,6%	-188.228	424.504	n.a.
Taxes (IRC)(-)	3.276.094	3.258.429	0,5%	196.515	1.010.817	-80,6%
Minority Interests (-)	0	0	-	0	0	-
Net Profits	5.554.051	2.645.705	109,9%	-384.743	-586.313	34,4%

Note: EBITDA = Net Operating Income + Amortisation and Depreciation. (1) Does not consider amortisation and depreciation.

In terms of the balance sheet, net debt at the end of September 2014 stood at 188 M€, i.e. €9.7 million less than in the same period of 2013. At the end of September 2014, medium and long term debt represented approximately 63% of total net bank debt. With respect to financial leasing, the value at the end of September 2014 came to 8.9 M€, i.e. a decrease of 3.0 M€ relative to the same period of the previous year.



3. Television – SIC

Table 4. Television Indicators

	Set-14	Set-13	ch %	3th Qt 2014	3th Qt 2013	ch %
Total Revenues	129.567.490	123.169.302	5,2%	39.238.736	41.693.054	-5,9%
Advertising	66.747.205	61.596.758	8,4%	20.410.174	19.502.433	4,7%
Channel Subscriptions	33.699.546	33.418.123	0,8%	11.175.901	11.133.055	0,4%
Others	29.120.739	28.154.421	3,4%	7.652.661	11.057.566	-30,8%
Operating Costs	108.765.201	104.007.384	4,6%	35.742.009	36.825.727	-2,9%
EBITDA	20.802.289	19.161.918	8,6%	3.496.727	4.867.327	-28,2%
EBITDA (%)	16,1%	15,6%		8,9%	11,7%	
Res. Bef. Taxes	17.086.871	14.187.511	20,4%	2.277.506	3.146.916	-27,6%

Note: EBITDA = Net Operating Income + Amortisation and Depreciation. (1) Does not consider amortisation and depreciation.

SIC ended September 2014 with total revenues of 129.6 M€, which represented an increase of 5.2%, with emphasis on the 8.4% growth in advertising revenues. In the 3rd quarter of 2014, in spite of the increase in advertising revenues, total revenues decreased by 5.9% relative to the same period of 2013, due to the 30.8% decline in other revenues.

At the end of September 2014, advertising revenues increased by 8.4% to 66.7 M€. This performance was due to the evolution of audiences, mainly in prime time and in the commercial targets.

SIC has maintained, for 31 months, the leadership in the main commercial targets (A/B C D 15/54 and A/B C D 25/54) during prime time, reaching an average audience of 28.5% and 28.8%, respectively. This leadership was due to the soap opera "Sol de Inverno" and "Jornal da Noite", in addition to the excellent performances of the soap operas "Amor à Vida", "A Guerreira" and "Lado a Lado". Also worthy of note is the debut of "Mar Salgado", which became, in only 15 days, the most watched programme on Portuguese television, with close to 1.5 million loyal viewers, reaching a share of 31.1%.

Regarding the rest of SIC's programming, special reference should be made of the Golden Globes Gala, a partnership with CARAS, and the European Football League, namely the final playoff between Benfica and Seville, which was the 2nd most watched programme on Portuguese television in the 1st half of 2014.

The subscription revenues of the thematic channels increased by 0.8% to 33.7 M€ at the end of September 2014. This increase was mainly due to the 10% rise in international revenues, that already represent 14% of total subscription revenues. In the 3rd quarter, subscription revenues grew by 0.4%.

The thematic channels achieved a collective audience of 3.4% at the end of 2014 (3.3% in 2013), with a good performance of the SIC Radical and SIC Mulher channels and the launch, in December 2013, of the new SIC Caras channel. It should be mentioned that, in June 2014, the SIC Caras channel debuted on the ZAP platform in the Angolan and Mozambican markets, being the 4th channel distributed on this platform.



Other revenues increased by 3.4% at the end of September 2014, boosted by the sale of contents, namely soap operas for the foreign market, whilst revenues related to multimedia competitions declined in the 3rd quarter. As already mentioned, the self-regulation agreement of telephone participation competitions, which came into force in July 2014, had an negative impact on the evolution of these revenues.

The performances registered enabled EBITDA to reach 20.8 M€ at the end of September 2014, representing a year-on-year increase of 8.6%, to which corresponds a margin of 16.1% (15.6% in 2013).

Results before taxes at the end of September 2014 reached 17.1 M€, representing a year-on-year increase of 20.4%.



4. IMPRESA Publishing

Table 5. Publishing Indicators

	Set-14	Set-13	ch %	3th Qt 2014	3th Qt 2013	ch %
Total Revenues	42.090.903	45.529.737	-7,6%	13.970.910	14.893.234	-6,2%
Advertising	18.538.995	19.718.532	-6,0%	5.694.341	6.104.392	-6,7%
Circulation	19.326.005	20.736.714	-6,8%	7.047.307	7.099.417	-0,7%
Others	4.225.903	5.074.491	-16,7%	1.229.262	1.689.425	-27,2%
Operating Costs	40.210.715	42.713.265	-5,9%	13.156.173	13.945.167	-5,7%
EBITDA	1.880.188	2.816.472	-33,2%	814.737	948.067	-14,1%
EBITDA (%)	4,5%	6,2%		5,8%	6,4%	
Res. Bef. Taxes	-182.086	731.722	n.a.	142.046	228.354	-37,8%

Note: EBITDA = Net Operating Income + Amortisation and Depreciation. (1) Does not consider amortisation and depreciation.

In the Publishing segment, which continues to be significantly affected by the Portuguese economic environment, total revenues registered a decline of 7.6% to 42.1 M€ at the end of September 2014, which was transversal to all the activities of IMPRESA Publishing.

Advertising revenues fell by 6.0% at the end of September 2014, relative to the same period of the previous year. In the 3rd quarter of 2014, advertising revenues declined by 6.7%.

Circulation revenues fell by 6.8% at the end of September 2014, reaching 19.3 M€. However, in the 3rd quarter of 2014, circulation revenues slipped 0.7% to 7.0 M€. This evolution in the 3rd quarter was due to the good performance of some publications, namely Expresso, and the increase in digital sales, boosted by Expresso Diário. This continued focus on digital enabled a positive performance in digital sales to be achieved, with a year-on-year increase of 41.8%, reaching about 26,000 digital customers at the end of September 2014.

The IMPRESA Group, with a market share of 48.6% (APCT data) was, in the 1st half of 2014, the largest media group in terms of digital subscriptions, with emphasis on the launch in May 2014 of Expresso Diário, a digital newspaper for subscribers and buyers of the weekly paper newspaper, with average sales of more than 16,300, being the leading publication in digital sales and with a broad acceptance in the advertising market. The impact of Expresso Diário in setting the political and economic agenda of the country, namely in the case of GES, is also noteworthy.

Facing a difficult economic climate, other revenues, which include namely sales of associated products, fell 16.7% at the end of September 2014, reaching 4.2 M€. In the 3rd quarter of 2014, other revenues decreased by 27.2% year-on-year.

At the end of September 2014 and in the 3rd quarter of 2014, operating costs fell by 5.9% and 5.7% year-on-year, respectively.



This operating evolution enabled a positive EBITDA to be reached at the end of September 2014 in the amount of 1.9 M€, corresponding to a margin of 4.5%. In the 3rd quarter of 2014, EBITDA came to 0.8 M€, corresponding to a margin of 5.8% relative to a margin of 6.4% achieved in the 3rd quarter of 2013.

Results before taxes were negative, reaching 182.1 thousand euros at the end of September 2014, compared to 731.7 thousand euros registered in the same period of the previous year. In the 3rd quarter of 2014, results before taxes were positive, to the value of 142 thousand euros, compared to 228.4 thousand euros achieved in the 3rd quarter of 2013.



5. IMPRESA Other

Table 6. Impresa Others Indicators

	Set-14	Set-13	ch %	3th Qt 2014	3th Qt 2013	ch %
Total Revenues	1.151.293	337.684	240,9%	250.967	104.194	140,9%
InfoPortugal + Olhares	1.376.501	1.109.256	24,1%	387.410	331.809	16,8%
Others & Inter-segments	-225.208	-771.572	-70,8%	-136.443	-227.615	-40,1%
Operating Costs	4.015.035	3.273.296	22,7%	1.141.059	1.115.916	2,3%
EBITDA	-2.863.742	-2.935.612	-2,4%	-890.092	-1.011.722	-12,0%
InfoPortugal + Olhares	116.910	7.772	1404,2%	6.003	-8.008	n.a.
Others & Inter-segments	-2.980.652	-2.943.384	1,3%	-896.099	-1.003.714	-10,7%
Res. Bef. Taxes	-8.074.640	-9.015.099	-10,4%	-2.607.780	-2.950.766	-11,6%

Note: EBITDA = Net Operating Income + Amortisation and Depreciation. (1) Does not consider amortisation and depreciation.

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 of Olhares, whose main businesses are the exploitation of the photography website and of the Olhares Academy.

Infoportugal and Olhares reached, at the end of September 2014, revenues of 1.4 M€, representing an increase of 24.1% relative to the same period of 2013. In the 3rd quarter of 2014, growth came to 16.8% relative to the 3rd quarter of 2013. In terms of EBITDA, these companies registered, at the end of September 2014, a value of 116.9 thousand euros, in comparison to just 7.8 thousand euros obtained in the same period of 2013.

6. Prospects

Based on the results achieved through to the end of September 2014 and in spite of the uncertainty surrounding the recovery of economic activity, IMPRESA expects to achieve the objectives set: improvement of the operational indicators and net income, as well as the reduction of interest-bearing liabilities.

Lisbon, 22nd October 2014

On behalf of the Board of Directors

José Freire
Investor Relations Director
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**IMPRESA**

Sociedade Gestora de Participações Sociais, SA.

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.CONSOLIDATED BALANCE SHEET Sept 2013

(Values in Euros)

<u>ASSETS</u>	<u>Sept 30th 2014</u>	<u>Dec 30th 2013</u>
NON CURRENT ASSETS		
Goodwill	300.892.821	300.892.821
Other intangible assets	299.189	329.667
Tangible fixed assets	28.603.002	29.291.053
Financial investments	6.684.990	6.736.787
Investment properties	6.151.963	6.151.963
Program Rights & Inventory	8.132.862	8.591.730
Deferred Taxes	1.289.824	1.269.646
Other non current assets	6.067.808	6.298.622
Total Non Current Assets	<u>358.122.459</u>	<u>359.562.289</u>
CURRENT ASSETS		
Program Rights & Inventory	16.095.068	19.303.327
Customers - current account	37.559.512	37.456.394
Other receivables	5.958.056	4.121.294
Cash and equivalents	1.468.544	1.434.564
Total Current Assets	<u>61.081.180</u>	<u>62.315.579</u>
TOTAL ASSETS	<u><u>419.203.639</u></u>	<u><u>421.877.869</u></u>
EQUITY, MINORITIES AND LIABILITIES		
	<u>Sept 30th 2014</u>	<u>Dec 30th 2013</u>
EQUITY		
Capital	84.000.000	84.000.000
Share issue premiums	36.179.272	36.179.272
Legal reserve	1.108.090	1.050.761
Retained earnings and other reserves	5.577.860	(962.340)
Consolidated net profit	5.554.051	6.597.529
Equity of IMPRESA shareholders	<u>132.419.273</u>	<u>126.865.222</u>
Total Equity Funds	<u><u>132.419.273</u></u>	<u><u>126.865.222</u></u>
LIABILITIES		
NON CURRENT LIABILITIES		
Loans	118.428.125	126.592.167
Leasing	6.351.783	8.066.251
Provisions for risk and charges	5.327.974	5.894.373
Deferred Taxes	472.581	472.581
Total Non Current Liabilities	<u>130.580.463</u>	<u>141.025.372</u>
CURRENT LIABILITIES		
Loans	71.722.451	63.063.025
Leasing	2.558.530	3.028.626
Suppliers payables	30.178.438	40.964.269
Other current liabilities	51.744.484	46.931.354
Total Current Liabilities	<u>156.203.903</u>	<u>153.987.274</u>
TOTAL EQUITY, MINORITIES AND LIABILITIES	<u><u>419.203.639</u></u>	<u><u>421.877.869</u></u>



IMPRESA

Sociedade Gestora de Participações Sociais, SA

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. and SUBSIDIARIES

CONSOLIDATED PROFIT & LOSS ACCOUNTS

(Values in Euros)

	IAS Set 30th 2014	IAS Set 30th 2013
<u>Total revenues</u>		
Goods	21.823.460	23.599.968
Services rendered	150.051.891	144.515.656
Other revenues	934.334	921.099
Total revenues	<u>172.809.685</u>	<u>169.036.723</u>
<u>Operating costs</u>		
Cost of goods sold	(60.256.485)	(58.448.533)
External supplies	(50.976.340)	(50.756.399)
Personnel	(39.937.107)	(38.543.905)
Depreciation	(2.909.470)	(4.083.090)
Impairment		
Provisions	(378.210)	(748.670)
Other operating costs	(1.442.809)	(1.496.438)
Total operating costs	<u>(155.900.421)</u>	<u>(154.077.035)</u>
Operating results	<u>16.909.264</u>	<u>14.959.688</u>
<u>Financial results</u>		
Gain & losses in associated companies	425.881	238.316
Interest and other financial costs	(8.505.001)	(9.293.870)
Results before taxes	<u>8.830.144</u>	<u>5.904.134</u>
Income tax	(3.276.093)	(3.258.429)
Consolidated net profit	<u>5.554.051</u>	<u>2.645.705</u>
Due to:		
Main shareholders	5.554.051	2.645.705
Minority shareholders		