

# IMPRESA

## 2016 Annual Results

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## Press Release: IMPRESA 2016 Results

### 1. Main highlights

- IMPRESA achieved a consolidated net profit of 2.8 M€ in 2016, corresponding to a decrease of 31.5%. In the 4th quarter of 2016, net profits rose 13.9% to 3.3 M€
- Over the course of 2016, an improvement of 38.8% in financial results was reported.
- IMPRESA reached a consolidated EBITDA of 15.5 M€ in 2016, corresponding to a decrease of 31.1%.
- Total revenues of the IMPRESA Group fell 10.8%, reaching 206 M€ in 2016.
- IMPRESA recorded a decrease of 8.6% in operating costs in 2016, with restructuring costs of 2.6 M€. In the 4th quarter of 2016, decline of operating costs of 15.1%.
- At the end of 2016, IMPRESA registered a net remunerated debt of 183.2 M€, including finance leases, corresponding to an increase of 4.4 M€.
- In 2016, SIC maintained its leadership position in the main commercial target (A/BCD25/54) during prime time, amongst generalist channels, with a share of 22%. Over the whole day, SIC ended with a share of 18.0% amongst generalist channels.
- SIC Notícias maintained its position, once again, as the leading information channel amongst subscription channels, with an average share of 2.1% in 2016, reaching the 2nd position in the general ranking of the subscription channels.
- The SIC soap opera “Coração d'Ouro”, broadcast during 2016, received the gold medal in the New York Festival, by conquering the first position in the "Soap Operas" category, and the soap opera "Mar Salgado", broadcasted in 2015, reached the third position.
- SIC “Jornal da Noite”, led on the main commercial targets.



- Expresso increased its paid circulation in 2016, continuing to stand out as leader in digital circulation revenues, having reached an average number of 21,776 buyers, among digital subscribers and sales, which represented 23% of the newspaper's total sales.
- SIC was the first national television to offer all its channels in High Definition (HD). On the day of its anniversary - on 6 October 2016, it began to broadcast all of its channels - SIC, SIC Notícias, SIC Radical, SIC Mulher, SIC Caras and SIC K in High Definition (HD), and in all domestic distributors.
- In October, SIC joined the European Media Alliance, which comprises several European television stations and covers more than 250 million homes. For SIC, the European Media Alliance is an excellent platform to share knowledge, have access to new technologies and opportunities to generate new business, particularly in the digital area.
- IMPRESA launched a startups accelerator in September in the Media area, with the aim of supporting and collaborating in the development of startups whose object is focused on the Media or in areas of interest to Media companies. Microsoft Portugal is the technological partner collaborating on this initiative.
- In September, IMPRESA was chosen as media partner of the Web Summit, one of the most important European events of technology, entrepreneurship and innovation. SIC was the official television of the event and EXPRESSO was the official newspaper. VISÃO, EXAME and EXAME INFORMÁTICA were also chosen as media partners of the event.

**Table 1. Main Indicators**

| (Values in €)                       | Dec-16             | Dec-15             | ch %          | 4rd Qt 2016       | 4rd Qt 2015       | ch %          |
|-------------------------------------|--------------------|--------------------|---------------|-------------------|-------------------|---------------|
| <b>Total Revenues</b>               | <b>205.997.090</b> | <b>230.922.406</b> | <b>-10,8%</b> | <b>56.171.417</b> | <b>66.463.033</b> | <b>-15,5%</b> |
| Television                          | 156.192.486        | 173.644.532        | -10,1%        | 42.565.142        | 50.536.129        | -15,8%        |
| Publishing                          | 48.424.634         | 55.771.924         | -13,2%        | 13.090.270        | 15.390.705        | -14,9%        |
| InfoPortugal & Others               | 1.847.448          | 1.818.384          | 1,6%          | 537.000           | 399.980           | 34,3%         |
| Intersegments                       | -467.478           | -312.434           | -49,6%        | -20.995           | 136.219           | n.a           |
| <b>Operating Costs</b>              | <b>190.471.192</b> | <b>208.377.765</b> | <b>-8,6%</b>  | <b>49.382.981</b> | <b>58.157.217</b> | <b>-15,1%</b> |
| <b>EBITDA</b>                       | <b>15.525.898</b>  | <b>22.544.641</b>  | <b>-31,1%</b> | <b>6.788.436</b>  | <b>8.305.816</b>  | <b>-18,3%</b> |
| EBITDA Margin                       | 7,5%               | 9,8%               |               | 12,1%             | 12,5%             |               |
| EBITDA Television                   | 18.897.128         | 23.726.425         | -20,4%        | 7.656.954         | 9.375.381         | -18,3%        |
| EBITDA Publishing                   | -74.600            | 3.628.492          | n.a.          | -182.374          | 1.283.584         | n.a           |
| EBITDA Infoportugal & Othe          | -3.296.630         | -4.810.276         | 31,5%         | -686.145          | -2.353.149        | 70,8%         |
| <b>Net Profit</b>                   | <b>2.759.895</b>   | <b>4.027.659</b>   | <b>-31,5%</b> | <b>3.345.538</b>  | <b>2.938.418</b>  | <b>13,9%</b>  |
| <b>Net Debt &amp; Leasings (M€)</b> | <b>183,2</b>       | <b>178,8</b>       | <b>2,5%</b>   | <b>183,2</b>      | <b>178,8</b>      | <b>2,5%</b>   |

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. Net Debt = Loans (ST+MLT) - Cash and Cash Equivalents + Finance Leases. (1) Does not consider Amortisations and Depreciation and Impairment Losses. Restructuring costs came to 2.63 M€ in 2016, of which 1.62 M€ were recorded in the 4th quarter of 2016.



## 2. Consolidated Accounts Analysis

IMPRESA reached consolidated revenues of 206 M€ in 2016, representing a decrease of 10.8% in relation to 230.9 M€ registered in 2015. In the 4th quarter, consolidated revenues came to 56.2 M€, which represented a decline of 15.5%.

The following should be noted relative to business in 2016:

- 2.5% decline in total advertising revenues. A substantial rise in the Digital area was registered, along with a slight rise in the Television area, and a contraction in the publications area.
- 13.8% slide in channel subscription revenues, resulting from the renegotiation of contracts in the international and domestic areas.
- 7.9% decrease in publication sales, due to the general decline in copies sold. Nevertheless, in terms of total circulation, 5 of IMPRESA publications rose, and in subscription numbers increase across the portfolio.
- 36.0% fall in other revenues, penalised by the decrease in alternative products, multimedia and content sales, which was not offset by the growth in other areas, such as: Infoportugal, Customer Publishing and technical services.

**Table 2. Total Revenues**

| (Values in €)         | Dec-16             | Dec-15             | ch %          | 4rd Qt 2016       | 4rd Qt 2015       | ch %          |
|-----------------------|--------------------|--------------------|---------------|-------------------|-------------------|---------------|
| <b>Total Revenues</b> | <b>205.997.090</b> | <b>230.922.406</b> | <b>-10,8%</b> | <b>56.171.417</b> | <b>66.463.033</b> | <b>-15,5%</b> |
| Advertising           | 116.219.951        | 119.160.816        | -2,5%         | 34.042.462        | 34.402.403        | -1,0%         |
| Channel Subscriptions | 43.488.469         | 50.423.742         | -13,8%        | 10.926.146        | 12.581.804        | -13,2%        |
| Circulation           | 23.019.578         | 25.002.256         | -7,9%         | 5.677.291         | 6.237.276         | -9,0%         |
| Others                | 23.269.092         | 36.335.592         | -36,0%        | 5.525.519         | 13.241.550        | -58,3%        |

Operating costs in 2016, without considering amortisations and depreciation and impairment losses, registered a decrease of 8.6% in relation to 2015, with a sharper decline (15.1%) in the 4th quarter of 2016.

In 2016 there was an overall decline in variable costs and fixed costs of 10.4% and 5.0%, respectively. The fall in operating costs was due to the declines in the following item's: staff, costs related to the multimedia activity, channels distribution, content sales, marketing, publications production and programming costs. The year of 2016 continued to be marked by reorganisation measures, affecting in particular the Publishing area. Restructuring costs reached 2.6 M€, lower than 3.8 M€ registered in 2015.

With the negative evolution of revenues, in spite of the good performance in terms of costs, consolidated EBITDA reached 15.5 M€ in 2016, which represented a decline of 31.1%, impacted by the 2.6 M€ of restructuring costs. Adjusted for restructuring costs, it would have reached 18.1 M€, which represents a margin of 8.8%.

In a year marked by a reduced volume of investment, which came to 3.9 M€, the volume of amortisation fell 8.9% in 2016 to 3.5 M€.



The year of 2016 was marked by a substantial improvement in financial results, which increased by 38.8% to 7.3 M€. In the 4th quarter of 2016, financial results came to 1.3 M€, down 53.2% year-on-year. This positive evolution of financial results in 2016 was due to the following factors:

- Decline in interest rates. In spite of a higher average debt balance, interest expenses fell by 1.6 M€
- A reduction of exchange rate losses of about 3.2 M€
- In the opposite direction, the results from associated companies were negative by 0.14 M€, affected by the losses generated in LUSA, in spite of the positive contribution of VASP.

| <b>Table 3. Profit &amp; Loss</b>       |                    |                    |               |                    |                    |               |
|---|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
| <b>(Values in €)</b>                    | <b>Dec-16</b>      | <b>Dec-15</b>      | <b>ch %</b>   | <b>4rd Qt 2016</b> | <b>4rd Qt 2015</b> | <b>ch %</b>   |
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| Publishing                              | 48.424.634         | 55.771.924         | -13,2%        | 13.090.270         | 15.390.705         | -14,9%        |
| InfoPortugal                            | 1.847.448          | 1.818.384          | 1,6%          | 537.000            | 399.980            | 34,3%         |
| Intersegments & Outras                  | -467.478           | -312.434           | -49,6%        | -20.995            | 136.219            | n.a           |
| <b>Operating Costs (1)</b>              | <b>190.471.192</b> | <b>208.377.765</b> | <b>-8,6%</b>  | <b>49.382.981</b>  | <b>58.157.217</b>  | <b>-15,1%</b> |
| <b>Total EBITDA</b>                     | <b>15.525.898</b>  | <b>22.544.641</b>  | <b>-31,1%</b> | <b>6.788.436</b>   | <b>8.305.816</b>   | <b>-18,3%</b> |
| <b>EBITDA margin</b>                    | <b>7,5%</b>        | <b>9,8%</b>        |               | <b>12,1%</b>       | <b>12,5%</b>       |               |
| Television                              | 18.897.128         | 23.726.425         | -20,4%        | 7.656.954          | 9.375.381          | -18,3%        |
| Publishing                              | -74.600            | 3.628.492          | n.a           | -182.374           | 1.283.584          | n.a           |
| Infoportugal & Others                   | -3.296.630         | -4.810.276         | 31,5%         | -686.145           | -2.353.149         | 70,8%         |
| Depreciation                            | 3.501.245          | 3.845.005          | -8,9%         | 893.630            | 944.241            | -5,4%         |
| <b>EBIT</b>                             | <b>12.024.653</b>  | <b>18.699.636</b>  | <b>-35,7%</b> | <b>5.894.806</b>   | <b>7.361.575</b>   | <b>-19,9%</b> |
| <b>EBIT Margin</b>                      | <b>5,8%</b>        | <b>8,1%</b>        |               | <b>10,5%</b>       | <b>11,1%</b>       |               |
| Financial Results (-)                   | 7.332.479          | 11.985.074         | -38,8%        | 1.310.649          | 2.800.908          | -53,2%        |
| <b>Res. bef. Taxes &amp; Minorities</b> | <b>4.692.174</b>   | <b>6.714.562</b>   | <b>-30,1%</b> | <b>4.584.157</b>   | <b>4.560.667</b>   | <b>0,5%</b>   |
| Taxes (IRC)(-)                          | 1.932.279          | 2.686.903          | -28,1%        | 1.238.619          | 1.622.249          | -23,6%        |
| <b>Net Profits</b>                      | <b>2.759.895</b>   | <b>4.027.659</b>   | <b>-31,5%</b> | <b>3.345.538</b>   | <b>2.938.418</b>   | <b>13,9%</b>  |

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses.(1) Does not consider Amortisations and Depreciation and Impairment Losses. Restructuring costs came to 2.63 M€ in 2016, of which 1.62 M€ were recorded in the 4th quarter of 2016.

Net income in 2016 reached 2.8 M€, compared to 4.0 M€ registered in 2015. In the 4th quarter of 2016, results were positive with a profit of 3.3 M€, up 13.9% year-on-year.

In terms of the balance sheet, at the end of 2016, net debt, including finance leases, stood at 183.2 M€, i.e. an increase of 4.4 M€ relative to 2015.



During 2016, namely in the 2nd quarter, the leasing relative to the building IMPRESA, in Paço de Arcos, was redeemed in order to begin the expansion project, which will bring together all the areas of the IMPRESA Group (Publishing and Television) under a single building by 2018. This movement represented an additional 5.3 M€ in terms of net debt.

At the end of 2016, medium and long term remunerated debt represented approximately 72.3% of total net debt.

Note should also be made to the financial autonomy ratio of 34.8% at the end of 2016.



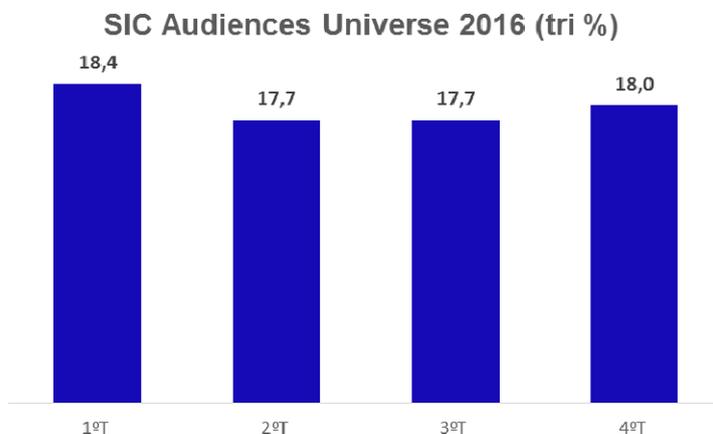
### 3. Television - SIC

| Table 4. Television Indicators |                    |                    |               |                   |                   |               |
|--------------------------------|--------------------|--------------------|---------------|-------------------|-------------------|---------------|
|                                | Dec-16             | Dec-15             | ch %          | 4rd Qt 2016       | 4rd Qt 2015       | ch %          |
| <b>Total Revenues</b>          | <b>156.192.486</b> | <b>173.644.532</b> | <b>-10,1%</b> | <b>42.565.142</b> | <b>50.536.129</b> | <b>-15,8%</b> |
| Advertising                    | 94.669.054         | 93.892.439         | 0,8%          | 27.906.836        | 26.928.536        | 3,6%          |
| Channel Subscriptions          | 43.488.469         | 50.423.742         | -13,8%        | 10.926.146        | 12.581.804        | -13,2%        |
| Multimedia                     | 13.765.265         | 20.300.360         | -32,2%        | 2.858.812         | 5.495.198         | -48,0%        |
| Others                         | 4.269.698          | 9.027.991          | -52,7%        | 873.348           | 5.530.591         | -84,2%        |
| <b>Operating Costs (1)</b>     | <b>137.295.358</b> | <b>149.918.107</b> | <b>-8,4%</b>  | <b>34.908.188</b> | <b>41.160.748</b> | <b>-15,2%</b> |
| <b>EBITDA</b>                  | <b>18.897.128</b>  | <b>23.726.425</b>  | <b>-20,4%</b> | <b>7.656.954</b>  | <b>9.375.381</b>  | <b>-18,3%</b> |
| EBITDA (%)                     | 12,1%              | 13,7%              |               | 18,0%             | 18,6%             |               |

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

SIC ended 2016 with total revenues of 156.2 M€, which represented an increase of 10.1% relative to 2015. In the 4th quarter of 2016, total revenues fell 15.8%.

Advertising revenues, which represent 61% of total revenues, performed well, having increased 0.8% in 2016 and 3.6% in the 4th quarter, in line with the market. However, overall performance in 2016 was penalised, due to events not broadcast by the station, such as the Euro 2016, and due to the decline in audiences over the summer months.



SIC ended 2016 with an average audience of 18.0%, corresponding to 1.3 percentage points less than in 2015. The relaunch of the new programming grid in September made it possible to recover audiences, after a weak 2nd and 3rd quarters. In addition, in 2016, SIC maintained its leadership position in the main commercial target (A/BCD25/54) during prime

time, amongst generalist channels, with a share of 22%. During the week, its leadership was even more pronounced, with a share of 23.1%.



The good performance of the SIC's Portuguese soap operas were essential in achieving these results, namely:



- The soap opera “Coração de Ouro”, which was broadcast until mid-September 2016, had an average audience share of 27.5%, reaching an average of 1.3 million viewers in the 12 months in which it was on prime time. This soap opera won the gold medal in the New York Cinema Festival, in April 2016.



- The soap opera “Rainha das Flores”, which debuted in May 2016, had an average audience share of 23.1% until December, which represented a qualitative leap relative to the previous soap opera.



- The soap opera “Amor Maior”, which debuted in September 2016, has an average audience share of 27.5%, with a performance in line with the previous soap opera in the same time slot - “Coração de Ouro”, leading the commercial targets (A/BCD 15/54 and A/BCD 25/54) with shares of 25.8 % and 26.4%, respectively.

The year of 2016 was also marked by the debuts of the entertainment programme “Best Bakery – A Melhor Pastelaria de Portugal” on Sunday nights, the return of “Shark Tank”, and by the Brazilian soap operas “Verdades Secretas”, “Liberdade Liberdade” and “Sassaricando”. And lastly, it is also important to mention SIC's Information, whose “Jornal da Noite” with an average audience of 21% during 2016, conquered the leading position in both commercial targets.



Subscription revenues of the channels of the SIC Universe are the second highest revenue source of the station, representing 27.8% of SIC's total revenues in 2016, through its 8 thematic channels, distributed over cable and satellite. They are present in 36 distributors, distributed over 16 countries and reaching 10 million viewers.

Subscription revenues, in Portugal and abroad, fell 13.8% in 2016 to 43.5 M€. These declines were due to a number of factors, namely: the conclusion of new distribution contracts in Portugal and Angola, with a simultaneous reduction in operating costs; and the decline in the number of subscribers, particularly in Angola.

In terms of audiences, the subscription channels of the SIC Universe expanded their market share, having reached a collective share of 3.8%, 0.4 pp more than in 2015. SIC Notícias stood out once again as the information channel most preferred by the Portuguese, with a



share of 2.1% (1.9% in the same period of the previous year), reaching the 2nd position in the general ranking of the subscription channels.

#### Thematic channels Audiences

| 2016 |                |     | 2015 |                 |     |
|------|----------------|-----|------|-----------------|-----|
|      | (%)            |     |      | (%)             |     |
| 1º   | Hollywood      | 2,3 | 1º   | Hollywood       | 2,3 |
| 2º   | SIC Noticias   | 2,1 | 2º   | SIC Noticias    | 1,9 |
| 3º   | CMTV           | 2,0 | 3º   | TVI24           | 1,6 |
| 4º   | TVI24          | 1,9 | 4º   | Disney Channel  | 1,6 |
| 5º   | Panda          | 1,7 | 5º   | AXN             | 1,4 |
| 6º   | Disney Channel | 1,7 | 6º   | FOX             | 1,3 |
| 7º   | FOX            | 1,5 | 7º   | Cartoon Network | 1,2 |
| 8º   | AXN            | 1,5 | 8º   | Disney Junior   | 1,1 |
| 24º  | SIC Mulher     | 0,6 | 19º  | SIC Mulher      | 0,6 |
| 25º  | SIC Radical    | 0,6 | 21º  | SIC Radical     | 0,6 |
| 44º  | SIC Caras      | 0,2 | 38º  | SIC K           | 0,3 |
| 50º  | SIC K          | 0,2 | 58º  | SIC Caras       | 0,1 |

Source: GfK, consolidated values

Source: GfK

Regarding the other thematic channels, SIC Radical and SIC Mulher both obtained a market share of 0.6%, in 2016. SIC Caras and SIC K achieved both a share of 0.2%.

The year of 2016 was also marked by the fact that SIC began to offer all of its national channels in High Definition (HD),

becoming the first national television to broadcast all of its channels - SIC, SIC Notícias, SIC Radical, SIC Mulher, SIC Caras and SIC K in High Definition, and in all national distributors.

The channels of the SIC Universe continued to expand, with an emphasis on the following factors:

- Debut of SIC Caras, on the MEO platform, at the start of 2016;
- Renewal of the distribution agreement with Multichoice;
- SIC K began to be distributed by Vodafone, as of April 2016;
- Renewal of the distribution agreement with ZAP, which began to distribute SIC Internacional, as of July 2016, in Angola and Mozambique;
- Distribution agreement with StarTimes to distribute SIC Internacional and SIC Notícias, in Mozambique;
- SIC Internacional began to be distributed by Boom TV in Cape Verde;
- SIC Internacional began to be distributed by Vivo in Brazil;
- The SIC K and SIC CARAS channels began to be distributed by Nowo, as of December 2016, within the scope of the distribution agreement renegotiation.

The 3rd highest revenue source of SIC is the multimedia area, or IVR, which in 2016 represented 8.8% of total revenues. The year of 2016 was considered a negative year, particularly as of the 2nd quarter, as a result of the discontinuation of some programmes with telephone participation competitions, as in the case of "Portugal em Festa" on Sunday afternoons. Multimedia revenues thus fell 32.2% to 13.8 M€, the lowest value registered by this business since 2008.

Other revenues declined 52.7% in 2016 to 4.3 M€, mainly due to the decrease in the sale of content, following an exceptional year in this area in 2015.

In 2016, the sites of the SIC Universe underwent an in-depth restructuring, having been relaunched in September, which allowed them to achieve significant gains in traffic, making



up for the loss arising from having exited the SAPO platform. The year of 2016 was marked in this item by the growth of 1.4% to 4.8 million unique visitors.

Over the course of 2016, there was a strict control of operating costs, which allowed operating costs to fall by 8.4%, resulting from reductions in programming, staff, multimedia and channel distribution-related costs. In the 4th quarter of 2016, there was a year-on-year decrease of 15.2% in operating costs, to which the previously mentioned items and the fact that no restructuring costs were registered in this quarter contributed.

However, the fall in operating costs was not sufficient to offset the decline in revenues, mainly those of Multimedia, such that EBITDA, of the Television area, came to 18.9 M€, representing a decrease of 20.4%. In the 4th quarter, EBITDA fell 18.3% to 7.7 M€.

In October, SIC joined the European Media Alliance, which comprises several European television stations and covers more than 250 million homes. For SIC, the European Media Alliance is an excellent platform to share knowledge, have access to new technologies and opportunities to generate new businesses, particularly in the digital area.



## 4. IMPRESA Publishing

**Table 5. Publishing Indicators**

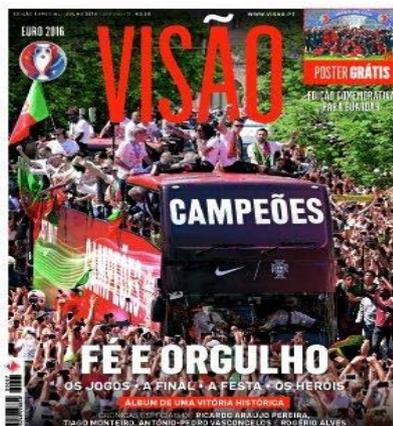
|                            | Dec-16            | Dec-15            | ch %          | 4rd Qt 2016       | 4rd Qt 2015       | ch %          |
|----------------------------|-------------------|-------------------|---------------|-------------------|-------------------|---------------|
| <b>Total Revenues</b>      | <b>48.424.634</b> | <b>55.771.924</b> | <b>-13,2%</b> | <b>13.090.270</b> | <b>15.390.705</b> | <b>-14,9%</b> |
| Advertising                | 21.514.731        | 25.582.043        | -15,9%        | 6.313.366         | 7.431.396         | -15,0%        |
| Circulation                | 23.019.578        | 25.002.256        | -7,9%         | 5.677.291         | 6.237.276         | -9,0%         |
| Associated Products        | 2.136.652         | 3.066.727         | -30,3%        | 529.524           | 993.836           | -46,7%        |
| Others                     | 1.753.673         | 2.120.898         | -17,3%        | 570.089           | 728.197           | -21,7%        |
| <b>Operating Costs (1)</b> | <b>48.499.234</b> | <b>52.143.432</b> | <b>-7,0%</b>  | <b>13.272.643</b> | <b>14.107.121</b> | <b>-5,9%</b>  |
| <b>EBITDA</b>              | <b>-74.600</b>    | <b>3.628.492</b>  | <b>n.a</b>    | <b>-182.374</b>   | <b>1.283.584</b>  | <b>n.a</b>    |
| <b>EBITDA (%)</b>          | <b>-0,2%</b>      | <b>6,5%</b>       |               | <b>-1,4%</b>      | <b>8,3%</b>       |               |

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. Publishing recorded 2.048 M€ of restructuring costs in 2016, and 1.6 M€ in the 4th quarter of 2016.

The year of 2016 was particularly difficult for the Publishing segment, as a result of a general decline in all revenue sources, the continued reorganisation effort and the acceleration of the transition towards digital of this business area. Total revenues in this segment fell 13.2% in 2016, reaching 48.4 M€. In the 4th quarter of 2016, total revenues fell 14.9%.

Revenue from publication sales were the main revenue source of Publishing in 2016, representing 47.5% of total revenues. In 2016, circulation revenues fell 7.9% to 23.0 M€. At the end of the year, some of the sale prices of publications were updated, with the majority of the remaining publications also set for a price update at the start of 2017.

All the segments in which IMPRESA Publishing is present declined, with the biggest slides occurring in the publications of the society, women's and television areas. Within the scope of the 14 publications in the Group's portfolio, 5 managed to increase their paid circulation, namely Expresso, Exame, Caras Decoração, Jornal de Letras and Visão História. At the end of 2016, another publication was launched, an extension of the Visão magazine, Visão+ dedicated to the themes of health and well-being. During 2016, various special editions were published, with emphasis on the editions of Expresso and Visão, commemorating the victory of Portugal in the European Football Championship. In addition, the multimedia news coverage done by Expresso "Matar e Morrer por Alá", won the innovation award of European Press Awards.





In addition, the focus on the growth of paper and digital subscriptions was maintained. Paper and digital subscription revenues increased by 13.5%, having exceeded the 5 M€ in the particular case of digital revenues, the latter grew 22.7%, reaching the 1 M€ mark for the first time, and represented 5.4% of total circulation revenues in 2016. It is also important to mention the Espresso in this area, since it managed to achieve the average number of 21,776 buyers, among subscribers and digital sales, which represented about 23% of the newspaper's total sales in 2016.

The second largest revenue source in the Publishing area is advertising, which represented 44.4% of total revenues in 2016. Advertising revenues reached 21.5 M€, representing a decrease of 15.9% year-on-year. In the 4th quarter, the evolution was similar to the previous quarters, with a decrease of 15% year-on-year. In this item, advertising, the traditional paper business, also continues under enormous pressure, while the digital area is in the midst of a strong expansion. The year of 2016 was a year of transition, with Publishing recovering the management of the digital advertising sales, which increased by 14.0%, representing about 16.2% of the total revenues of this business area.

Substantial efforts have been made in the digital area, particularly in 2016, with the exit from Group sites and the SAPO platform, which led to the relaunch and restructuring of various of those sites, with emphasis on Blitz and Exame Informático. In September 2016, the site dedicated to football - Tribuna - was launched, following the good performance achieved by the site dedicated to the European Football Championship. In spite of the exit from the SAPO platform, IMPRESA Publishing website traffic increased by 5.3% in 2016, having reached an average of 20.9 million single visitors. It is also important to mention the good performance of the share of mobile accesses, which during the 2nd half of 2016, exceeded the 50% mark, due to the restructuring of various websites over the last 2 years.

Digital advertising and circulation revenues increased by 16.4%, offsetting the general decline in Publishing, representing 9.6% of the total volume of this business area in 2016.

The sales of associated products registered a decrease of 30.3% to 2.1 M€ in 2016, following a decline of 46.7% in the 4th quarter of 2016. The reformulation of the strategy regarding the sale of collections was also implemented during 2016, with a focus on products with higher added value, which offset the decline in revenues, whilst at the same time generating an identical margin to that of 2015.

Other revenues declined 17.3% in 2016 to 1.8 M€, in spite of the increase in activity in the new media solutions area, as a result of new signed contracts, which increased by 22% during 2016.

In the Publishing area, as in the rest of the IMPRESA Group, a strict cost control strategy is maintained. In 2016, operating costs fell 7.0%, affected by restructuring costs, representing 2.0 M€. Without accounting for restructuring costs, operating costs would have decreased by 8.9%.

The combined evolution of revenues and operating costs, adjusted for restructuring costs, resulted in an EBITDA of 1.97 M€ in 2016, having registered a year-on-year decline of 58.6%. In accumulated terms, the EBITDA of the Publishing area was negative by 75 thousand euros, having been affected by restructuring costs.



## 5. IMPRESA Other

**Table 6. IMPRESA Others Indicators**

|                            | Dec-16            | Dec-15            | ch %          | 4rd Qt 2016      | 4rd Qt 2015       | ch %          |
|----------------------------|-------------------|-------------------|---------------|------------------|-------------------|---------------|
| <b>Total Revenues</b>      | <b>1.379.970</b>  | <b>1.505.950</b>  | <b>-8,4%</b>  | <b>516.005</b>   | <b>536.199</b>    | <b>-3,8%</b>  |
| InfoPortugal               | 1.847.448         | 1.818.384         | 1,6%          | 537.000          | 399.980           | 34,3%         |
| Intersegments & Others     | -467.478          | -312.434          | -49,6%        | -20.995          | 136.219           | n.a           |
| <b>Operating Costs (1)</b> | <b>4.676.600</b>  | <b>6.316.226</b>  | <b>-26,0%</b> | <b>1.202.150</b> | <b>2.889.348</b>  | <b>-58,4%</b> |
| <b>EBITDA</b>              | <b>-3.296.630</b> | <b>-4.810.276</b> | <b>31,5%</b>  | <b>-686.145</b>  | <b>-2.353.149</b> | <b>70,8%</b>  |

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider Amortisations and Depreciation and Impairment Losses. In 2016, restructuring costs of 389 thousand Euros were recorded in the Other segment, at the holding level.

This segment includes the management and financial costs of the holding of IMPRESA and also covers the operating activities of InfoPortugal, a company dedicated to aerial photography, cartography and georeferenced content, as well as the exploitation of the photography website and of the Academia Olhares.



In 2016, Infoportugal achieved total revenues of 1.85 M€, 1.6% above that recorded in 2015, following a 4th quarter with a growth of 34.3%. In terms of EBITDA, the company registered a positive value of 11.5 thousand euros at the end of 2016, in comparison to the positive value of 132 thousand euros obtained in 2015. It should be mentioned that the result of 2016 was affected by the recognition of provisions for trade receivables in the amount of 50 thousand euros, as well as by the lack of support in the PT2020 Community framework, which took place in 2015.

As a result of the specialised production of integrated georeferenced contents and solutions for the tourism sector and of geographic information, Infoportugal launched during 2016 the new website Boa Cama Boa Mesa, and developed three mobile applications within the scope of the same project - BCMB 2016, All About Portugal Food and Wine Tourism.



Regarding digital photogrammetry, in 2016 an investment in a large format aerial camera was made, placing InfoPortugal in a leading position in the market of cartography companies, which enabled this business area to be leveraged, boosting growth by more than 40%.

During 2016, the project involving the supply of EPG (Electronic Programme Guide) information achieved an excellent performance, boosted by the obtainment of two more customers for this service.

During 2016, a more pronounced effort was made within the scope of the reduction of fixed costs, with a special focus on the human resources item. In this regard, a decrease of 55 thousand euros relative to 2015 was achieved, mainly in the software development area, which suffered the most significant decline in revenues relative to 2015.

Olhares, in 2016, registered an increase in revenue of 8.5 thousand euros, due to the development of the academy and the promotion of a greater number of events and training courses.

In terms of consolidated results, in 2016 the EBITDA of this segment was negative by 3.3 M€, representing an improvement of 31.5% in comparison to 2015, in spite of restructuring costs of 0.39 M€.



## 6. Prospects

The financial year of 2016 failed to meet the objectives set out. However, the implementation, at the end of the year, of new measures, namely the implemented reorganisation of the IMPRESA GROUP, permits us to consider that the various operational indicators - EBITDA and Net Income in 2017 - will exceed the values recorded in the previous year.

And the year of 2017 will be marked by the commemoration of the 25th anniversary of SIC, whose celebration will involve the holding of a series of events throughout the country.

And, as previously announced, a Strategic Plan for the three-year period 2017-2019 was prepared, which will guide activity and the objectives of the Company in the medium-term. The main strategic objectives for the three-year period 2017-2019 are the following:

1. **Ensure a sustainable financial situation of IMPRESA Group.** The objective is to reduce remunerated debt, simultaneously with the improvement of the Group's profitability, and reach a Debt/EBITDA ratio of 4.0x until 2019.
2. **Improve the profitability of SIC,** through the growth of advertising revenues, the increase of revenues from external markets, expansion of existing business areas, namely IVR, merchandising and e-commerce, optimisation of the programming costs of SIC channels.
3. **Increase the digital sales of the Group.** The growth of the digital sales of the brands of the IMPRESA Group, through the increase in the number of digital subscribers, as well as improving the performance of advertising revenues.
4. **Accelerate international expansion.** Increase the revenues from external markets through the sale of digital content, distribution of channels and content sales.
5. **Focus on businesses and brands with growth potential.** The objective is to reduce the activities that do not make a positive contribution to the Group in the medium-term, and manage the portfolio of assets and finding new investment opportunities, with an objective of 1.5 M€ in terms of EBITDA.

Lisbon, 2 March 2017

By the Board of Directors

José Freire  
Investor Relations Director  
[www.impresa.pt](http://www.impresa.pt)

**IMPRESA**

Sociedade Gestora de Participações Sociais, SA.

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.CONSOLIDATED BALANCE SHEET Dec 2014

(Values in Euros)

| <b>ASSETS</b>                                   | <b>Dec 31th<br/>2016</b> | <b>Dec 31st<br/>2015</b> |
|---|--------------------------|--------------------------|
| <b>NON CURRENT ASSETS</b>                       |                          |                          |
| Goodwill  | 300.892.821              | 300.892.821              |
| Other intangible assets                         | 435.821                  | 530.660                  |
| Tangible fixed assets                           | 28.234.916               | 27.843.127               |
| Financial investments                           | 3.667.894                | 4.037.872                |
| Investment properties                           | 5.912.440                | 5.912.440                |
| Program Rights                                  | 4.568.154                | 7.444.931                |
| Deferred Taxes                                  | 818.427                  | 620.908                  |
| Other non current assets                        | 4.941.825                | 5.533.924                |
| <b>Total Non Current Assets</b>                 | <b>349.472.298</b>       | <b>352.816.683</b>       |
| <b>CURRENT ASSETS</b>                           |                          |                          |
| Program Rights                                  | 15.636.356               | 14.661.158               |
| Inventory                                       | 1.422.658                | 1.857.440                |
| Customers - current account                     | 37.631.796               | 24.156.864               |
| Deferred Taxes                                  |                          | 1.694.484                |
| Other receivables                               | 6.329.572                | 4.766.999                |
| Cash and equivalents                            | 3.491.256                | 3.520.079                |
| <b>Total Current Assets</b>                     | <b>64.511.638</b>        | <b>50.657.024</b>        |
| <b>TOTAL ASSETS</b>                             | <b>413.983.936</b>       | <b>403.473.707</b>       |
| <b>EQUITY, MINORITIES AND LIABILITIES</b>       |                          |                          |
|   | <b>Dec 31th<br/>2016</b> | <b>Dec 31th<br/>2015</b> |
| <b>EQUITY</b>                                   |                          |                          |
| Capital   | 84.000.000               | 84.000.000               |
| Share issue premiums                            | 36.179.272               | 36.179.272               |
| Legal reserve                                   | 1.782.188                | 1.247.348                |
| Retained earnings and other reserves            | 19.520.330               | 16.318.585               |
| Consolidated net profit                         | 2.759.895                | 4.027.659                |
| Equity of IMPRESA shareholders                  | 144.241.685              | 141.772.864              |
| Equity of minority interests                    |                          |                          |
| <b>Total Equity Funds</b>                       | <b>144.241.685</b>       | <b>141.772.864</b>       |
| <b>LIABILITIES</b>                              |                          |                          |
| <b>NON CURRENT LIABILITIES</b>                  |                          |                          |
| Loans   | 134.730.289              | 142.067.857              |
| Leasing   | 256.701                  | 4.698.391                |
| Provisions for risk and charges                 | 3.757.354                | 3.887.349                |
| Deferred Taxes                                  | 315.456                  | 396.946                  |
| <b>Total Non Current Liabilities</b>            | <b>139.059.800</b>       | <b>151.050.543</b>       |
| <b>CURRENT LIABILITIES</b>                      |                          |                          |
| Loans   | 51.596.359               | 34.247.423               |
| Leasing   | 113.399                  | 1.275.418                |
| Suppliers payables                              | 29.876.474               | 35.944.833               |
| Deferred Taxes                                  | 253.801                  |                          |
| Other current liabilities                       | 48.842.418               | 39.182.626               |
| <b>Total Current Liabilities</b>                | <b>130.682.451</b>       | <b>110.650.300</b>       |
| <b>TOTAL EQUITY, MINORITIES AND LIABILITIES</b> | <b>413.983.936</b>       | <b>403.473.707</b>       |



**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<br>Dec 31th<br>2016 | IAS<br>Dec 31th<br>2015 |
|---------------------------------------|-------------------------|-------------------------|
| <u>Total revenues</u>                 |                         |                         |
| Goods                                 | 25.117.542              | 28.054.742              |
| Services rendered                     | 179.243.775             | 199.722.255             |
| Other revenues                        | 1.635.774               | 3.145.409               |
| Total revenues                        | <u>205.997.090</u>      | <u>230.922.406</u>      |
| <u>Operating costs</u>                |                         |                         |
| Cost of goods sold                    | (80.692.585)            | (83.689.830)            |
| External supplies                     | (55.801.421)            | (66.143.596)            |
| Personnel                             | (51.665.160)            | (55.898.419)            |
| Depreciation                          | (3.501.245)             | (3.845.005)             |
| Provisions and Impairments            | (677.138)               | (594.689)               |
| Other operating costs                 | (1.634.888)             | (2.051.231)             |
| Total operating costs                 | <u>(193.972.437)</u>    | <u>(212.222.770)</u>    |
| Operating results                     | <u>12.024.653</u>       | <u>18.699.636</u>       |
| <u>Financial results</u>              |                         |                         |
| Gain & losses in associated companies | (139.978)               | (19.338)                |
| Other financial revenues              | 95.354                  | 28.423                  |
| Interest and other financial costs    | (7.287.855)             | (11.994.159)            |
| Results before taxes                  | <u>(7.332.479)</u>      | <u>(11.985.074)</u>     |
|                                       | <u>4.692.174</u>        | <u>6.714.562</u>        |
| Income tax                            | (1.932.279)             | (2.686.903)             |
| Consolidated net profit               | <u>2.759.895</u>        | <u>4.027.659</u>        |
| Due to:                               |                         |                         |
| Main shareholders                     | 2.759.895               | 4.027.659               |