IMPRESA

07

Annual Report

01 Chairman's Message

2007 was a positive year for the IMPRESA Group. Revenues advanced 9.7%, EBITDA rose 14.4% and net results grew 9.9%. These results were achieved within a general context of weak economic growth in Portugal and during a year in which IMPRESA invested 15.3 M€ in the launch of new businesses and several acquisitions.

The acquisitions and new businesses launched over the last few years have enabled IMPRESA to diversify its revenue sources. In 2007, the new business areas were responsible for the growth of the Group. For example, in the specific case of SIC, in spite of having fallen to third place in terms of audiences, the television experienced a record year in terms of revenues and net results, thus confirming the success of the strategic path that has been followed in recent years.

We have maintained an active acquisitions policy, focusing on companies that allow us to enter new businesses and increase our presence in the multimedia area. In 2007 we acquired a controlling interest in infoPortugal, Dialectus and Dirnet, as well as a 30% stake in the TV production company TDN.

2007 was elected the Year of Multimedia. In addition to the commitment of television, newspapers and magazines towards the development of multimedia initiatives, in 2007 the fourth business area was launched – Impresa Digital. Its strategy is geared towards the development, via an Internet-based platform, of the production and distribution of B2C and B2B contents, and to foment the growth of the IMPRESA Group brands. It posted more than 4 million Euros in revenues in its first year of activity. On the other hand, we focused on the launch of new sites – Mygames and Caras – and on the reorganisation of existing sites – as in the case of Expresso, Visão, SIC and AEIOU.

One year following the changes undertook at Expresso, and increased competition, both revenues and results grew in 2007. The newspaper received several awards related to its new format and design. We also reformulated other publications, namely AutoSport, SurfPortugal and Visão and, at the same time, continued to review our portfolio of publications, having discontinued several publications during 2007.

We have continued our commitment towards the qualitative improvement of our human resources. We provided our employees with more than 31,000 training hours, taught by duly accredited coaches. The training actions targeted some specific professional sectors, among which are the Future Editorials, Young People with High Potential and Newsplex programmes. We once again awarded the Cáceres Monteiro (media coverage) and Convergência (multimedia editorial project) Prizes. Our efforts within the scope of social responsibility included several institutional initiatives, namely, and in addition to the acknowledged Pessoa Prize (Prêmio Pessoa), incentives for reading, the good use of language (Portuguese Language Championship), social solidarity (Mulher Activa Prize) and management (Primus Inter Pares and Gestão Global Prizes), etc. SIC Esperança entered its fifth year of existence and saw its work rewarded by being recognised as a social solidarity institute of public interest. The activity of SIC Esperança in 2007 focused on two specific areas of implementation and support of two concrete social projects: accessibilities and the environment, which are to continue in 2008.

In spite of the growth in revenues and results, it was insufficient to prevent an 11.9% decline in IMPRESA shares during 2007, having maintained a strong correlation with the evolution of the EuroStoxx Media, which fell 5.8% over the same period.

In 2008, we aim to return to growth in revenues, margins and profits. IMPRESA's strategy involves continuing our commitment towards the diversification of revenue sources, the reinforcement of the multimedia area and the consolidation of our most recent projects.

To our readers, spectators, users, clients and suppliers, to the financial institutions and shareholders, I hereby express my gratitude for the support and preference shown. And a very special thank you to the employees of the IMPRESA Group for their dedication and competence.

Francisco Pinto Balsemão

02 SINGLE MANAGEMENT REPORT 2007

In order to comply with the demands required by law regarding public companies, the Board of Directors of "IMPRESA – Sociedade Gestora de Participações Sociais, S.A." presents its SINGLE MANAGEMENT REPORT relative to the financial year of 2007. On doing so, the aforementioned Board had the concern of including sufficient elements and information, so that shareholders and investors in general are able to evaluate IMPRESA GROUP business in the universe in which it operates, in a clear and objective manner.

02.1 Consolidated Accounts

Consolidated financial statements were prepared according to IAS/IFRS dispositions, as adopted by the European Union, which include the International Accounting Standards (IAS), issued by the International Standards Committee (IASC), the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and the corresponding SIC and IFRIC interpretations, issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC).

02.1.1 Main indicators in 2007

- **Consolidated revenue of 280.1 M€**, corresponding to a 9,7% increase in 2007. The main contributions were the following:

  3.5% increase in advertising revenue.

  5.3% increase in channel subscription revenue.

  162.5% rise in multimedia revenue.

  146% increase in audiovisual revenue.

  38.6% increase in merchandising.

  176.4% increase in other revenues.

  29.4% decrease in associated product sales and 10.2% decrease in revenue from publication sales

- **14.4% increase in EBITDA, to 46.2 M€. The consolidated EBITDA margin reached 16.5%.**
- **Net results of 18.1 M€ in the end of 2007, representing a 9,9% increase relatively to 2006.**

Table 1. Main IMPRESA indicators

(Values in 000 €)	Dec-07	Dec-06	var (%)
Total Revenues	280,116	255,237	9.7%
Advertising	190,954	184,572	3.5%
Publication Sales	43,209	48,124	-10.2%
Channel Subscription	32,855	31,189	5.3%
Alternative Products	10,096	14,310	-29.4%
Multimedia	22,053	8,400	162.5%
Audiovisual	9,331	3,784	146.6%
Merchandising	3,782	2,728	38.6%
Other	5,663	2,052	176.0%
Television Revenue	185,182	164,002	12.9%
Newspaper Revenue	56,194	54,963	2.2%
Magazine Revenue	36,203	38,097	-5.0%
Digital Revenue	4,160	-	n/a
EBITDA	46,222	40,416	14.4%
EBITDA Margin	16.5%	16.1%	
Television EBITDA	35,771	31,794	12.5%
Newspaper EBITDA	11,618	8,649	34.3%
Magazine EBITDA	1,920	2,075	-7.5%
Digital EBITDA	-1,576	-	n/a
Net Profit	18,089	16,464	9.9%
Net Debt (M€)	182.1	208.8	-12.8%

02.1.2 Main events in 2007

- IMPRESA Digital started its official activity in the beginning of 2007, being responsible for business development in the digital area.
- Weekly newspaper "AutoSport" was re-launched in January, with improved paper, new graphics and a new website.
- The "Visão" magazine was re-launched in March, with a new format, having undergone editorial reformulation, which led to an increase in sales. The new "Visão" website was launched in October.
- An Audit Committee was elected by the General Meeting in April, having immediately started its functions.
- Broadcasting of soap opera "Vingança" started in May; this programme became a success for SIC, with an average share of 32%.
- In May, the "Expresso" newspaper promoted the Sustainability Conference, with the presence of Kofi Annan, within the scope of the Sustainability month.
- In June, IMPRESA Digital acquired 51% of "InfoPortugal".
- The "SurfPortugal" magazine, which celebrated its 20th anniversary, was re-launched in July.
- In July, SIC, together with "Teresa Guilherme SGPS", created "Terra Do Nunca Produções", which assumed the production of SIC domestic fiction.
- Also in July, IMPRESA Digital installed the first DGS – Digital Guest Service interactive entertainment system in a hotel.
- "ITL – IMPRESA Turismo e Lazer" started its activity in September, focusing on production of tourism and leisure contents for the IMPRESA Group.
- The "Expresso" and SIC websites were re-launched in September.
- "Visão Verde" was published in September, with the objective of promoting the expansion of green areas in our cities.
- The "Mygames" website was launched in October, following the launch of the "Hype" magazine, in August. The corresponding television programme, broadcast by "SIC Radical", completed the strategy of implementation of a game contents multi-platform.
- The "Cosmopolitan" magazine was re-launched in November.
- The "FHM" website was launched in December.

02.1.3 Television

Table 2. Television segment indicators

	Dec-07	Dec-06	VAR %
Total Revenue	185,181,751	164,002,008	12.9%
Advertising	115,816,636	115,849,085	0.0%
Channel Subscription	32,855,363	31,189,330	5.3%
Multimedia	21,283,519	8,400,090	153.4%
Audiovisual	9,330,632	3,783,577	146.6%
Merchandising	3,781,524	2,727,909	38.6%
Other	2,114,077	2,052,018	3.0%
Operating Costs	149,411,135	132,208,050	13.0%
EBITDA	35,770,616	31,793,958	12.5%
EBITDA (%)	19.3%	19.4%	
Res. Before Taxes	30,026,259	25,673,975	17.0%

Note:The Theme Channels item includes “SIC Notícias”, “SIC Radical”, “SIC Mulher”, “SIC Comédia”, “SIC Internacional” and international subscribers of “SIC Notícias”.

SIC celebrated its 15th anniversary in 2007, which represented a milestone for private television in Portugal. The SIC strategy adopted to developing new businesses, able to take advantage of existing synergies between the various channels, led to record revenue and net profit values, despite audiences being lower in the year.

In 2007, SIC’s revenue reached 185.2 M€, which represented a 12.9% increase. Non-advertising revenue increased by 44%, representing 37.4% of total revenue, relatively to 29.5%, in 2006.

Advertising revenue values were identical to those registered in 2006, having reached 115.8 M€, despite this comparison corresponding to a period during which revenue was increased by the World Cup (June/July 2006) and the fact audiences in 2007 were lower, especially during the second half of year. Good commercial target performance, due to the good performance of some programmes, such as news programme “Jornal de Noite” and soap opera “Vingança”, allowed SIC to offset this fall in audiences. SIC’s net advertising revenue represented a 37.1% share of total free-to-air television advertising investment.

SIC ended 2007 in third place, in terms of audience, with an average 25.1% share, representing a 1.1 percentage points decrease relatively to the 2006 average.

In 2007, SIC continued to invest on national productions, albeit maintaining a strong Brazilian soap opera component. In the 3rd quarter, 3 Portuguese soaps were being broadcast simultaneously, for the first time – “Floribella”, “Chiquititas” and “Vingança” –, with emphasis on the latter, with leading audiences in its time-slot, with a 32% share.

The positive contribution of talk shows “Fátima” and “Contacto” was maintained, with average audiences of 29.6% and 25.8%, respectively, as well as news programmes, with “Jornal da Noite” reaching an average audience share of 25.4% and a commercial share of 26.3%.

Weekly news programmes broadcast immediately after “Jornal da Noite” – “Perdidos e Achados”, “Nós Por Cá”, “Reportagem Especial”, “O Livro de Reclamações”, “Ir… é o Melhor Remédio”, “Terra Alerta” and “Futuro

Hoje" – made the difference, having contributed to viewer loyalty, with an average audience share of 30%, a value above the station average. The journalistic quality of some of these news reports was recognised, some of these programmes having won awards throughout the year – ten awards in total, which, once again, makes SIC the most distinguished television channel within the news area.

SIC led the evening period, due to the contribution given by soap opera "Vingança" and some foreign series, such as "CSI"; SIC led this time-slot for eight months, in 2007.

Programmes "Parada SIC", "15th Anniversary Gala" and original format of "Família Superstar", as well as studio and graphic renovation, contributed to impart a strong image to SIC, thus slowing audience falls.

In September, a new organisational system for work and editorial management was introduced, allowing transformation of the SIC News organization in the first multimedia and multi-platform contents production centre in the country. This new work organisation substantially increased productivity and versatility, paving the way for new forms of communication, not only on television, but also on the Internet and mobile phones.

Thematic channels ended 2007 with a 5.3% revenue increase, to 32.8 M€. This increase was achieved despite the suspension of channel "SIC Comédia", on the 31st December 2006.
The increase in the number of "SIC Internacional" and "SIC Notícias" subscribers in the African continent, which totalled over 140,000 customers, in the end of 2007, was one of the main causes of this evolution. "SIC Internacional" started being broadcast in Belgium and expanded to a new distribution platform in France.

In Portugal, an increase occurred in the number of subscribers from other paid TV operators (which started broadcasting "SIC Mulher"), as well as an increase, albeit smaller, in the number of "TV Cabo" subscribers. Channel subscription revenues represented 17.8% of total SIC revenue.

"SIC Notícias" led Cable TV theme channel audiences for the seventh consecutive year, with an average audience share of 11.6%, in 2007. This leadership was once again achieved due to an increase in television offer, within the entertainment and news areas. SIC's thematic channels – "SIC Notícias", "SIC Radical" and "SIC Mulher" – achieved an average audience share of 18.4%.

SIC other business areas delivered high growth rates in 2007, of which the following should be highlighted:

- The multimedia segment increased by 153.4%, representing 11.5% of total SIC revenues, due to the success achieved by call-TV programmes. Presently, call traffic exceeds 1,000,000 calls per month, on average. The launch of the Mobile TV platform in Vodafone, in the first semester, should also be highlighted. Continuity was also given to ringtone sales, SMS (alert) services and WAP push (image and game sales).

- The audiovisual segment, including “Som Livre” and “GMTS” revenues, increased by 146%.

  - “Som Livre” (which altered its designation to “iPlay”, in January 2008) was included in the consolidation perimeter for the first time in 2007. This service benefited from the success achieved by some soap-opera soundtracks, such as “Vingança”. A licensing contract relative to the entire “Valentim de Carvalho” Editions catalogue was signed on the 6th March, integrated in the previously defined strategy of betting on Portuguese Artists and Music, considered the business area with the largest growth potential and ability to complement SIC needs.

  - “GMTS” continued to follow its expansion strategy, having launched a new business, “BloomGraphics”. The focus of this new area will be design and implementation of graphics for the Group and external companies, including production of advertising spots. “GMTS” maintained its leadership in the large exterior productions area, having produced graphics for over 170 events, including 144 sporting events.

  - The merchandising segment increased by 38.6%, due to an increase in the number of licensed products, continuity of the “Floribella” line and the recent contribution of adolescent soap opera “Chiquititas”.

Operating costs at SIC increased by 13%, in 2007. In addition to business growth, the main reasons for this increase in operating costs were the following:

- Alteration of the consolidation perimeter, with the inclusion of “Som Livre” and “Ad-Tech”. Without this alteration, operating costs would have increased by only 7.4%.
- Fast multimedia growth, of 153.4%.
- One-off costs, including provisions to cover impairment losses, amounting to 0.43 M€.
- 1.4% increase in programme costs.
- 13.2% increase in costs with personnel, resulting from the emergence of new business areas and a 5.8% increase in personnel, in addition to an increase in provisions to cover variable remunerations.
- Restructuring costs, representing 0.67 M€.

Despite exceptional costs, which reached 1.1 M€, revenue evolution due to new businesses and operating cost evolution led to a 12.5% increase in EBITDA, in 2007, to 35.7 M€, which represents a 19.3% margin.

This favourable operational evolution, as well as the positive contribution given by results, caused SIC to end 2007 with results before taxes representing 30 M€, a 17% increase. Net profits reached 20.8 M€, which is the best result achieved in 15 years of business.

Following the acquisition of “Som Livre”, in 2006, two acquisitions were made in 2007: “TDN – Terra do Nunca Produções” and “Dialectus”. A 30% share was acquired in TDN, a company responsible for producing domestic fiction; this share will be increased to 60%, in 2008. SIC acquired a 90% stake in “Dialectus”, whose business includes contents translation, subtitling and dubbing. In total, these acquisitions represented an investment of approximately 3 M€.

02.1.4 Newspapers

Table 3. Newspaper segment indicators

	Dec-07	Dec-06	VAR %
Total Revenue	56,194,082	54,963,141	2.2%
Advertising	39,128,276	35,707,365	9.6%
Publications	13,008,048	14,960,824	-13.1%
Other	2,397,636	4,294,952	-44.2%
Other Non-Current	1,660,122	-	n/a
Operating Costs	44,576,519	46,313,982	-3.8%
EBITDA	11,617,563	8,649,159	34.3%
Current EBITDA	10,136,563	8,649,159	17.2%
EBITDA (%)	18.6%	15.7%	
Res. Before Taxes	10,318,233	7,548,496	36.7%

Total revenue reached 56.2 M€, in 2007, representing a 2.2% increase, which partly resulted from revenue generated from the sale of a real-estate asset. If this contribution is not considered, total revenue decreased by 0.8%, mainly due to a decrease in associated product sales and, on a smaller scale, a decrease in publication sales; these decreases were not offset by the increase in advertising revenue.

Several initiatives marked the year 2007, of which the Sustainability Conference, organised by the "Expresso" newspaper, with the presence of Kofi Annan, remodelling of "AutoSport" and "SurfPortugal" and re-launch of various publication websites should be highlighted, in the sequence of the strategy aimed at reinforcing Internet presence.

Advertising performance was good, with a 9.6% increase in revenue. All publications registered positive performances, with traditional advertising increasing at a rate of over 10% and classified advertising increasing by approximately 5%. The bet on Internet development has already paid off, with a 111% increase in revenue, representing approximately 2% of total advertising revenue.

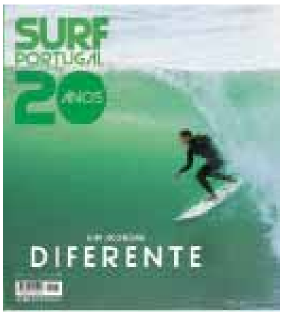
The excellent values registered for publication audiences, in the third and last stage of the 2007 Bareme Press survey, organised by Marktest, should be highlighted. "Expresso" achieved an average audience of 8.1%, which corresponds to an 8% increase relatively to the corresponding stage of the previous year. With this result, "Expresso" consolidated its leadership amongst generalist weeklies, having even increased its distance from the nearest competitor, throughout the year. "AutoSport" reached an average audience of 1.4%, a 55.6% increase relatively to the corresponding stage of the previous year; "Blitz" registered a 30% increase.

Circulation revenues decreased 13.1%, in 2007, to 13 M€, which may be explained by the following three factors: a reduction in "Expresso" prices, decided in September 2006, the high circulation average achieved in the last quarter of 2006 (202,000 copies sold in October), following the "Expresso" re-launch operation, and a decrease in "Courrier" sales, whose re-launch as a monthly magazine occurred in January 2008.

After winning the European Newspaper Award in 2007, awarded to the newspaper with the best design in Europe, "Expresso" won a world award for the same category, in February 2008, a first-time occurrence in Portugal. The new "Expresso" version was distinguished by the SND – Society for News Design, with the World's Best Designed Newspaper award, together with 3 other newspapers. In the 29th edition of these international awards, "Expresso" competed against 340 newspapers, from all continents.

Some 2007 re-launches slowed down the decrease in circulation revenues. This was the case of "AutoSport", in January, and "SurfPortugal", in July. "Blitz" completed its 1st year as a monthly magazine, which also contributed to slow down the decrease in revenues from publication sales.

As already highlighted, 2007 was marked by website renovation, for the various publications. After the launch of the new "AutoSport" and "Blitz" websites, the new online "Expresso" version was launched in the 3rd quarter. These launches contributed to an increase in the number of visitors, for the various websites, with an 80% increase for "Expresso.pt" and twice the number of visitors for the "AutoSport" and "Blitz" websites.



In the alternative marketing area, a steep market decline continued to be observed. In 2007, it was decided to launch a smaller number of associated products; consequently, revenue generated from these sales decreased by 44.2%.

Operating costs decreased 3.8%, in 2007. This decrease was caused by a reduction in re-launch and publication promotion costs, as well as smaller restructuring costs, which reached 0.7 M€.

Positive revenue evolution and the reduction in operating costs generated a 17.2% increase in current EBITDA, in 2007, to 10.1 M€, which represents an 18.6% margin. If the added value resulting from the sale of the aforementioned real-estate asset is included, EBITDA would have reached 11.6 M€.

In the end of 2007, results before taxes were 10.3 M€, representing an increase of approximately 36.7%, relatively to 2006.

02.1.5 Magazines

Table 4. Magazine segment indicators

	Dec-07	Dec-06	VAR%
Total Revenue	72,405,616	76,194,186	-5.0%
Advertising	34,506,504	33,015,709	4.5%
Publications	30,200,904	33,163,514	-8.9%
Other	7,698,208	10,014,963	-23.1%
Operating Costs	67,334,873	72,044,438	-6.5%
EBITDA	3,840,134	4,149,748	-7.5%
EBITDA (%)	5.3%	5.4%	
Res. Before Taxes	2,174,484	2,373,750	-8.4%

Note: Consolidated values correspond to 50% of the indicated values, proportionally to the IMPRESA share

In the magazine area, 2007 was characterised by the existence of a very competitive environment, which, together with the closing-down of some publications and the smaller contribution of associated product sales, caused a 5% decrease in total revenue, to 72.4 M€.

Nevertheless, advertising revenues increased by 4.5%, performing better than the press market in general. Main IMPRESA magazines, namely “Visão”, “Caras”, “Activa” and “FHM”, registered good performances. Advertising revenues represented 47.6% of the total revenue.

Values registered for publication audiences, in the third and last stage of the 2007 Bareme Press survey, organised by Marktest, should be highlighted. The “Visão” magazine stood out, with an average audience of 8.2%, which represents a 28.1% increase relatively to the corresponding stage of the previous year.

In 2007, circulation revenues continued to display a negative trend, decreasing 8.9%, to 30.2 M€. However, over half of this decrease may be explained by the closing-down of some magazines, namely “Boa Mesa” (March 2007), as well as some children’s and teenage magazines, and the end of the “Super Interessante” contract (June 2007).

In a year during which no new magazines were launched, efforts to recover circulation revenues were focused on the main publications (“Visão”, “Caras” and “Activa”). Sales of these magazines increased, particularly those of “Visão”, whose sales increased by 8%, following its re-launch, in March. The “Cosmopolitan” magazine was re-launched in the end of the year.

In September 2007, a special “Visão Verde” edition was published, with the objective of promoting the expansion of green areas in our cities. 26 cities from the entire country joined this project, which will promote planting of a total 68,267 trees, of 11 different species.

In the magazine area, expansion focused on Internet presence, for the various publications, the launch of several websites being also prepared for 2008. The new “Visão” website was launched, the “FHM” website was created, the “Caras” micro-website was launched (anticipating the launch of the “Caras” website) and the “Exame” website was also launched. In the 4th quarter of 2007, website “NetJovens.pt” was acquired, which marked the entry of the IMPRESA Group in the social networking website area.

Other revenues decreased by 23.1%. The reduced number of product launched penalised revenue in this area, with the growth observed in the Customer Publishing area not being sufficient to offset this decrease.

In the magazine segment, operating costs decreased 6.5 %, due to the smaller number of alternative marketing operations, a reduction in general variable costs and a decrease in current costs with personnel, resulting from the restructuring operation carried out within the last few years, which was continued in 2007. The financial year of 2007 was penalised by high restructuring costs, which reached 1.22 M€, in comparison with 2.3 M€, in 2006. This restructuring operation led to a 4% reduction in personnel.

As a result of decreased revenue and high restructuring costs, EBITDA decreased 7.5%, to 3.8 M€. If restructuring costs are not considered, the EBITDA margin was 6.5%, in 2007.

The magazine segment reached results before taxes of 1.08 M€, which represents an 8.4% decrease.

02.1.6 Digital

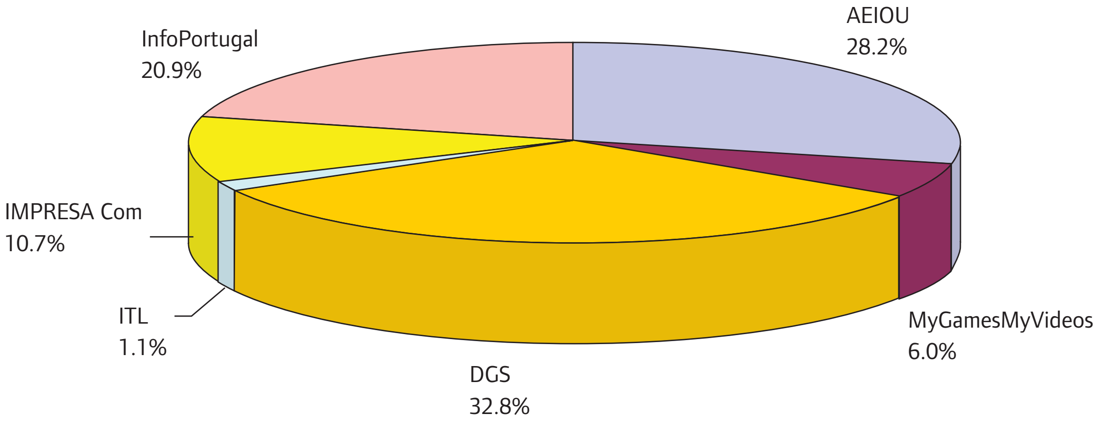
Table 5. Digital segment indicators

	Dez-07	4Q07
Total Revenue	4,160,488	1,726,931
Advertising	1,502,191	733,900
Software	762,413	580,254
Contents	769,560	63,624
Other	1,126,324	349,153
Operating Costs	5,736,956	1,836,123
EBITDA	-1,576,468	-109,192

2007 was the 1st year in business for IMPRESA Digital. The year was marked by the launch of several new projects, as well as acquisition of companies that completed its contents and technologies portfolio. IMPRESA Digital comprises "Mediazoom" (which includes DGS – Digital Guest Services), "Impresa.com", "AEIOU", "New Media" (MyGames), "InfoPortugal", "ITL" and "Dirnet".

IMPRESA Digital – Revenue Structure in 2007 (%)

Total Revenue – 4.16 M€



In 2007, the IMPRESA Digital revenue reached 4.1 M€, with negative EBITDA of 1.57 M€, the latter being penalised by costs associated to starting of new businesses. In the 4th quarter, EBITDA losses amounted only to 0.1 M€.

The current situation of the various businesses and projects is the following:

DGS – Digital Guest Services – started its operations during the 3rd quarter, providing a digital entertainment service in hotels, with a high degree of customisation.

In the end of the year, Digital Guest Services had made its services available in 12 hotels, representing 3,620 rooms. Presently, installation contracts exist for approximately 20,000 rooms, in 80 hotels, in Portugal and Brazil, installation being foreseen to take place during the next 3 years.

“MyGames” started its business in July, through the launch of TV programme “R Radical”, followed by the launch of the “Hype” magazine, in August, and the “Mygames.pt” website, in October. The objective of “MyGames” is to establish a presence on the Internet, Press and Television, creating a Portuguese videogame platform.

“AEIOU” completed its 1st year in business within the IMPRESA Group. This portal was re-launched in April and the process that will ultimately lead to integration of the various Group websites was initiated. Its two main business areas – advertising and software development – registered high growth rates, with total revenue reaching 1.2 M€, and positive EBITDA margins.

The main business of “InfoPortugal” is database building and development of solutio ns based on geo-referenced digital contents. Its portfolio includes the largest map and interesting locations database in Portugal, including digital aerial photographs of the entire territory. Its contribution to total revenue was 0.8 M€, registering positive margins.

“ITL – Impresa Turismo e Lazer” (Impresa Tourism and Leisure) – the unit responsible for developing the tourism business, started operating in the 3rd quarter of 2007, taking advantage of “Expresso” contents, as well as the interesting spots and technology developed by “InfoPortugal”. This tourism and leisure portal, operating under the “Escape by Expresso” brand, will represent the main investment in 2008.

IMPRESA Digital invested 6 M€ in acquisitions and project development. 2008 will be the 2nd year in business for IMPRESA Digital, with large growth being foreseen, as well as consolidation of the various projects and acquisitions and search of other business opportunities, in Portugal and abroad.

02.1.7 Consolidated Accounts

The IMPRESA consolidated revenue reached 280.1 M€, representing a 9.7% increase relatively to 2006, regarding which the following should be mentioned:

- 3.5% increase in advertising revenue, with good performance in all areas.
- 10.2% decrease in revenue from publication sales, mainly due to a reduction in the number of publications.
- 5.3% increase in revenue from theme and international channel subscriptions.
- 162.5% increase in multimedia revenue.
- 29.4% decrease in associated product sales, due to a reduction in the number of collections.
- 146% increase in the audiovisual area, which includes "Som Livre" and "GMTS".
- 38.6% increase in merchandising.
- 211.4% increase in other revenues, mainly relative to the new Impresa Digital areas.

The consolidation perimeter was altered, due to the acquisitions occurred in the financial year of 2007. If only the companies included in the 2006 consolidation perimeter was considered and exceptional events are excluded, revenue increase would have been 6.4%. In 2007, IMPRESA generated an extraordinary revenue of 1.66 M€, through the sale of a real-estate asset.

Regarding revenue by business areas, television revenues increased by 12.9%, newspaper revenues were maintained, without extraordinary revenue, magazine revenues decreased by 5% and IMPRESA Digital, which started its business activity in January 2007, contributed to total revenue with 4.1 M€.

Total IMPRESA operating costs increased 11.1%. This increase was essentially due to widening of the consolidation perimeter and growth in new areas, namely multimedia and merchandising.

An increase in restructuring costs was registered, these having reached 2.2 M€, a 23.5% increase relatively to 2006. An increase in non-recurring costs also occurred, including a provision to cover impairment losses, amounting to 0.43 M€.

The number of Group collaborators increased with the acquisitions made and expansion of current business: 1,448 collaborators by the end of the year, a 6.7% increase relatively to the previous year.

Consolidated EBITDA reached 46.2 M€, representing a 14.4% increase and a 16.5% margin. EBIT increased 18.0%, to 38.7 M€.

The negative financial results increased by 18.1%. The reductions occurred in remunerated debt during the year were not sufficient to offset the impact of interest rate rise, which led to an 18.3% increase in financial expenses. A smaller contribution of gains from associated companies "VASP" and "Lusa" was also registered. On the other hand, a positive contribution was given by exchange rate gains, which increased approximately 69.6%, relatively to 2006.

Table 6. Consolidated P&L Statement for 2007

	Dec-07	Dec-06	var (%)
Total Revenues	280,116,141	255,237,863	9.7%
Television	185,181,751	164,002,008	12.9%
Newspapers	56,194,082	54,963,141	2.2%
Magazines	36,202,808	38,097,093	-5.0%
Digital	4,160,488	-	n/a
Inter-group & Other	-1,622,987	-1,824,379	-11.0%
Operating Costs	233,893,717	210,526,413	11.1%
Restructuring costs	2,244,673	1,817,486	23.5%
Total EBITDA	46,222,424	40,416,498	14.4%
EBITDA Margin	16.5%	16.1%	
Television	35,770,616	31,793,958	12.5%
Newspapers	11,617,563	8,649,159	34.3%
Magazines	1,920,067	2,074,874	-7.5%
Digital	-1,576,468	-	n/a
Other	-1,509,354	-2,101,494	28.2%
Amortizations (-)	7,469,579	7,566,949	-1.3%
EBIT	38,752,845	32,849,549	18.0%
EBIT Margin	13.8%	13.1%	
Financial Results (-)	12,309,312	10,424,481	18.1%
Res. Before Taxes and Minority Interests	26,443,533	22,425,068	17.9%
Taxes (IRC)(-)	7,612,375	3,663,747	107.8%
Discontinued businesses (-)	25,684	1,185,580	n/a
Minority Interests (-)	716,629	1,112,182	-35.6%
Net Profit	18,088,845	16,463,558	9.9%

2007 was marked by several acquisitions, namely a 51% share in "InfoPortugal", a 90% share in "Dialectus", a 30% share in "TDN", a 51% share in "Netjovens" and a 51% share in "Dirnet", which represented an investment of 5.3 M€. On the other hand, expansion of the various businesses entailed an investment plan representing 10.1 M€, focused on "Impresa Digital" and SIC.

Despite the financial effort made to carry out the various acquisitions and investments, a substantial reduction occurred in remunerated liabilities. The Group focused, during the year, in freeing financial assets, which, together with capital gains of 6.5M € from the sale of a real-estate asset, allowed a reduction in net debt, from 26.7M€ to 182.1 M€.

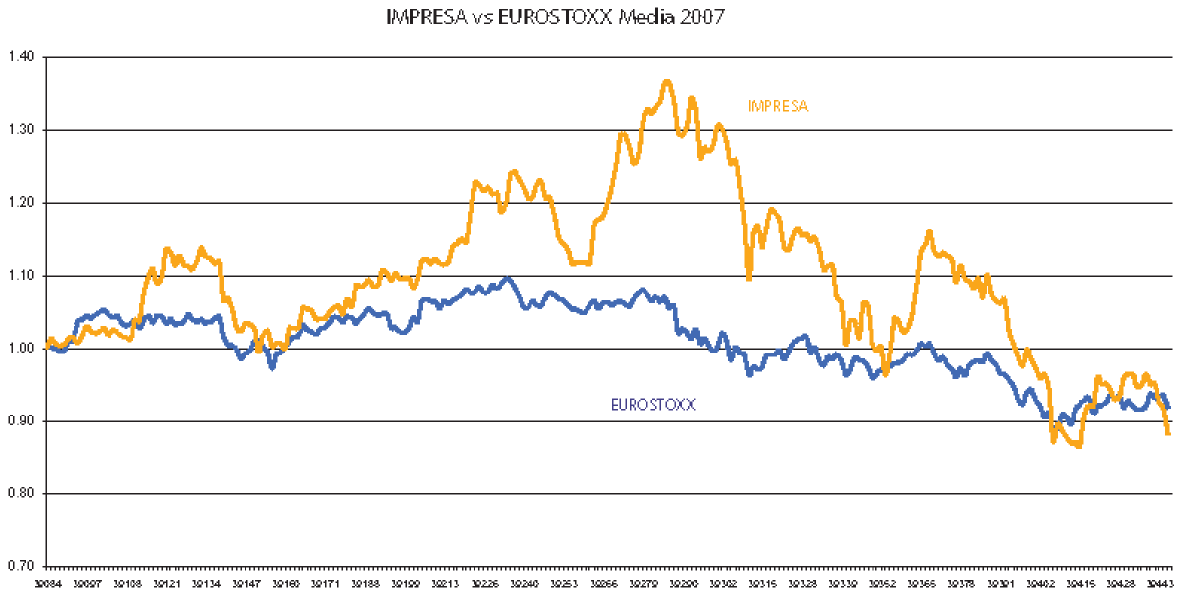
Results before taxes increased 17.9%, to 26.4 M€.

Operating margin recovery allowed net profits of 18.1 M€, representing a 9.9% increase relatively to 2006.

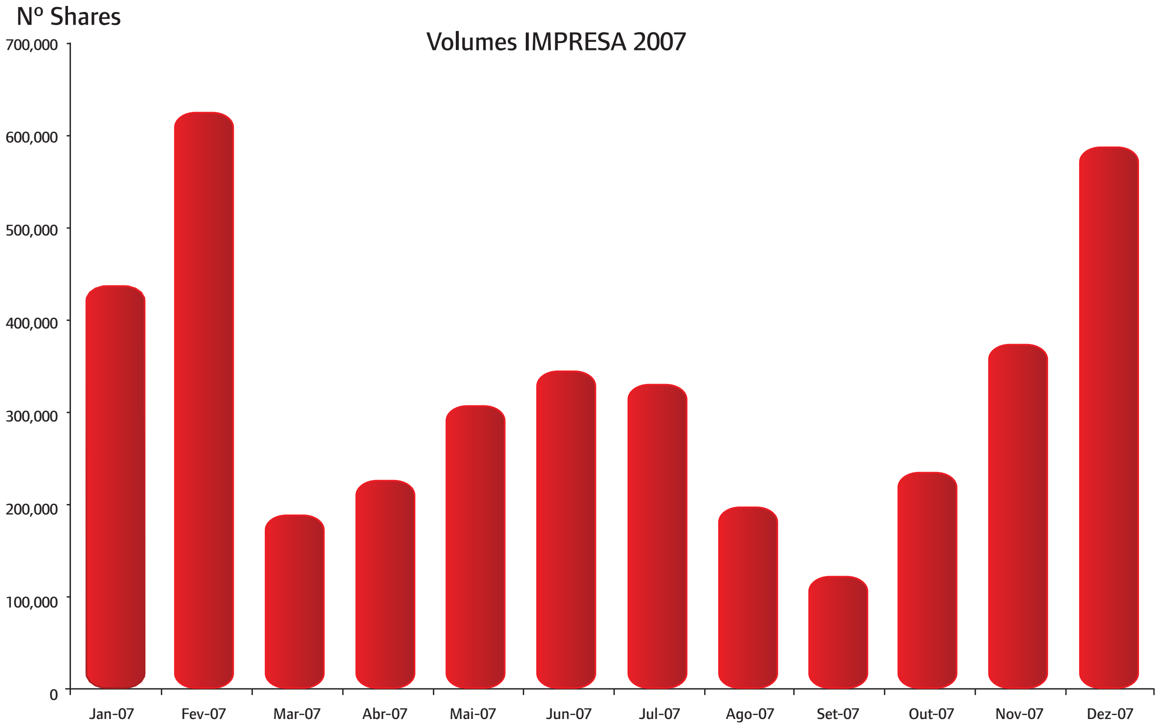
02.1.8 IMPRESA in the Stock Market

Capital markets showed a positive evolution, for the fifth consecutive year, in 2007. However, negative market performance has been increasing since the summer, as a result of the worsening of the sub-prime financial crisis. The main Portuguese stock market index, PSI 20, managed to increase by 16.3%, in 2007, after a 30.3% increase in 2006.

The media sector in Europe registered, once again, a worts performance than main stock market indices, with the DJ EuroStoxx Media (ESM) index decreasing 5.8% in 2007, having registered a 23.2% decrease in the 4th quarter.



IMPRESA shares, with a strong correlation with ESM evolution exists, registered a negative evolution in 2007. Fast positive evolution was registered in the first seven months of 2007, resulting from operational growth expectations, for the various business; however, in the remaining months, a steep negative evolution was observed, due to market turbulence, the negative evolution of the media sector, on an international level, and the lower performance of SIC, in terms of audiences. Evolution in the second half of the year entailed an 11.8% decrease in IMPRESA share prices, in 2007.



In June 2007, IMPRESA carried out a stock-split operation, doubling the number of shares to 168 million.

An average transaction volume of 331 thousand shares/day was registered in 2007, relatively to the average 228 thousand shares/day observed in 2006, which represents a 33.1% increase.

In January 2008, the exit of IMPRESA shares from the PSI-20 index was communicated; this was effective from the 1st March 2008.

02.1.9 Human Resources

02.1.9.1 Permanent staff and collaborator profile

Regarding IMPRESA Group human resources, the number of permanent staff members had increased, in the end of 2007, to 1,448 collaborators, 88 more than in the end of 2006, of which 78 are employed in the Digital area, not included in 2006 values.

Female collaborators represent 47% of the total. Average employer age is approximately 39 yeras. The following table displays the IMPRESA Group collaborator profile, on the 31st December 2007

Table 7. Human Resources in 2007

	Television 2007	Magazines 2007	Newspapers 2007	Digital 2007	Other 2007	Total 2007	Total 2007
No. of Collaborators	677	409	211	78	73	1,448	1,360
Male	394	172	120	33	45	764	735
Female	283	237	91	45	28	684	625
Average Age (years)	37	39	43	31	47	39	38
Qualifications							
University Degree	246	178	112	59	20	696	696
12th Grade/ Bachelor's Degree	333	163	77	18	37	432	432
< 12th Grade	98	68	22	1	16	202	202

02.1.9.2 Training

The 2007 training plan for IMPRESA Group companies was elaborated with basis on a needs survey, performed in all companies. Objectives were established regarding training areas, number of training hours and number of training actions.

The various training programmes organised represented approximately 31,000 training hours and included 1,093 collaborators, a significant increase relatively to the values reached in 2006.

Table 8. Training - 2006 – 2007 comparative table

	2006	2007
Training Hours	27,463	31,341
No. of Trainees	912	1,093

02.1.10 Outlook for 2008

For 2008, the IMPRESA strategy entails a continued bet on revenue source diversification, multimedia segment reinforcement, consolidation of the most recent projects and revenue and results increase.

02.2 Individual Accounts

02.2.1 Individual Accounts Analysis

Individual accounts were elaborated with basis on the accounting principles generally accepted in Portugal (POC), similarly to the corresponding accounts for the previous year.

The net profit calculated for this period was negative, corresponding to 797,407 €, which represented an improvement relatively to the negative result of 2,214,677 € registered in 2006.
This improvement resulted mostly from increased financial income and gains, due to the effect of applying the equity method to IMPRESA shareholding results.

It should also be referred that goodwill amortizations, representing a total amount of 18.8 M€, are registered in individual 2007 IMPRESA accounts, as well those relative to companies where IMPRESA has shareholdings.

02.2.2 Results application proposal

Regarding the net loss of 797,407 euros, is proposed to the Accumulated Losses item.

02.3 Non-executive director activities

Non-executive directors, within the scope of their legal attributions, participated in the meetings of the Board of Directors, namely meetings where quarterly, half-year and annual accounts for the financial year of 2007 were evaluated and approved, as well as general meetings of shareholders. No constraints to the exercise of their functions were encountered. According to the law and IMPRESA Audit Committee regulations, the activities performed by non-executive Audit Committee members are described in a separate report, which is an integral part of the IMPRESA 2007 Report and Accounts.

02.4 Acknowledgements

The Board of Directors would like to thank all collaborators and the Statutory Auditor for their collaboration during the financial year of 2007.

The Board of Directors would also like to thank the following banks for their collaboration: “Caixa Geral de Depósitos”, “Caixa Banco de Investimento”, “Banco BPI”, “Banco Espírito Santo”, “Banco Espírito Santo Investimento”, “Millennium BCP” and “Banco Santander Totta”.

Lisbon, 5th March 2008

The Board of Directors

Francisco José Pereira Pinto Balsemão

Luiz Fernando Teuscher de Almeida e Vasconcellos

Francisco Maria Supico Pinto Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Anacoreta Correia

Miguel Luís Kolback da Veiga

AUDIT COMMITTEE REPORT

2007

1. Nomination and Composition

The Audit Committee was elected at the General Meeting of IMPRESA, held on 12th April 2007, with the following composition:

Chairman:	Alexandre de Azeredo Vaz Pinto
Voting Members:	António Soares Pinto Barbosa
	Manuel Guilherme Oliveira da Costa

Manuel Guilherme Oliveira da Costa, having been invited to take up the position of Chairman of the Board of Directors of RTP, resigned from his functions last December. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia was co-opted, in 2008, by the Board of Directors of Impresa to substitute him.

All of the members of the Audit Committee fulfil the conditions foreseen in no. 5 of article 414 of the Companies Code.

2. Regulation

A regulation of the Audit Committee was elaborated, as well as a regulation on procedures to be adopted in connection with the reporting of irregularities (approved by the Board of Directors on 30th July 2007).

The Audit Committee held meetings with the heads of the various sectors of activity to present its objectives and underline the importance of the audit function to Group staff.

The abovementioned regulations were disclosed via e-mail to the entire Impresa Group.

3. Activity undertaken

3.1. External Audit

The existing contract with the external auditors was analysed, and considered as adequate for the needs of the Group.

Four meetings were held with the external auditors, always with the presence of the CFO, to analyse the fulfilment of accounting policies and practices and the reliability of the financial information.

The Audit Committee, in association with the external auditors, undertook a more extensive analysis of the financial statements of 2007, having paid particular attention to the aspects related with the changes to the consolidation perimeter and the most significant transactions carried out in 2007.

3.2. Internal Audit

The basis for the creation of an Internal Audit Department (I.A.D.) was launched. The Board of Directors nominated a person responsible for the task.

The functional structure of the I.A.D. shall be implemented during 2008, following the study on process analysis, undertaken in 2007 with the support of Deloitte, subsequently appraised by the Executive Committee and presented to all of the Group's department structures.

The performance of the internal audit shall focus on risk areas (information systems, installations and equipment) and shall take into account the importance attributed to the several business areas of the Group.

For more specialised areas, and whenever deemed necessary, the Audit Committee shall use the services of external consultants.

All employees, within the internal network INET, were provided with the means of communicating irregularities within the scope of the regulation approved by the Board of Directors. No irregularities were communicated in 2007.

4. Final Considerations

During the course of 2007, the Audit Committee did not come across any obstacles in the performance of its functions.

Lisbon, 5th March 2008

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa C. F. Leite de Castro Anacoreta Correia

THE BOARD OF DIRECTORS

Francisco Pinto Balsemão

Chairman and CEO
Age:70
Chairman and CEO of Impresa since the company was founded in 1990.
Prime-Minister of Portugal from 1981 to 1983. Founder (1973) and first-editor-in-chief of Expresso. Chairman of SIC, Impresa Jornais, Sojornal and Member of the board of Impresa Digital and Edimpresa.
Member of the State Council.
He is currently Chairman of the European Publishers Council, Chairman of the juri of Prémio Pessoa, member of advisory board of Universidade de Lisboa, Patron of the Protection Council of the Carolina Foundation, member of the Steering Committee of the Bilderberg Meetings and non executive member of the board of Daily Mail and General Trust plc.
Francisco Pinto Balsemão has a Law degree.

Luiz Vasconcellos

Vice-Chaiman and COO
Age: 71.
Vice-Chairman and COO of Impresa since 1990 and Vice-Chairman of the Executive Committee.
Prior to attaining his current position Luiz Vasconcellos was member of the board of several companies in the Sociedade Nacional de Sabões Group.
He is currently Vice-President of SIC and Impresa Jornais, member of the board of Sojornal, Impresa Digital and Edimpresa. He is also member of the board of Banco Privado Português.
Luiz Vasconcellos has a degree in Agricultural Engineering.

Francisco Maria Balsemão

Executive Director and CTO
Age: 37.
Member of the Board of Impresa since 2001.
He was previously Director of International Business and Roaming at TMN- National Mobile Telecommunications. He is currently a Member of the Executive Committee of Impresa and Member of the Board of SIC, Impresa Jornais, Sojornal and Impresa Digital.
He is also Director of APDC- Portuguese Association for the Development of Communications, Director of ACEP- Portugal's E-Commerce Association and Deputy President of ANJE- National Association of Young Entrepreneurs, Director of AIP – Portuguese Industry Association and Director of API – Portuguese Publishers Association.
Francisco Maria Balsemão has a degree in Electrical Engineering and Computers by the Technical University of Lisbon and is post-graduated in Telecommunication Companies Management.

Alexandre Vaz Pinto

Independent Member of Board of Directors / President of the Audit Committee
Age: 68.
Member of the board of Impresa since 2000.
Was Chairman of Sociedade Financeira Portuguesa, Minister of Trade and Tourism of Portugal, Vice-Chairman of Banco de Portugal, Chairman of BESCL, Vice Chairman of CGD.
Alexandre Vaz Pinto has a degree in Economics.

Miguel Veiga

Independent Member of Board of Directors
Age: 71.
Member of the board of Impresa since 2004.
Was Member of Conselho Superior de Magistratura, Vice-President of Portuguese Red Croix, Member of the parliament in 1975, Vice-President of PSD-Partido Social Democrata.
Now is member of UIA-União Internacional de Advogados, Member of the board of the Fundação da Casa de Mateus, Companhia de Seguros Tranquilidade and President of the general assembly of Interbolsa.
Miguel Veiga has a law degree.

António Pinto Barbosa

Independent Member of Board of Directors / Member of the Audit Committee
Age: 63.
Member of the board of Impresa since 2007.
Professor of economics and public finance, author of several scientific papers and books and member of different academics committees.
António Pinto Barbosa has a degree in Finance and a PhD in Economics from Virgínia Polytecnic Institute & S.U.

Luísa Anacoreta Correia

Independent Member of Board of Directors / Member of the Audit Committee
Age: 40.
Member of the board of Impresa since 2008.
Lecturer in Accounting and Tax in "Faculdade de Economia e Gestão da Universidade Católica". Lecturer in several postgraduate courses in "Escola de Gestão Empresarial " and "Faculdade de Economia e Gestão da Universidade Católica Portuguesa".
Member of the "European Accounting Association" (EAA), member of "Asociación Española de Contabilidad y Administración de Empresas" (AECA), member of "Associação Fiscal Portuguesa" (AFP).
Luísa Anacoreta Correia has a degree in Management and a MSc in Economics.

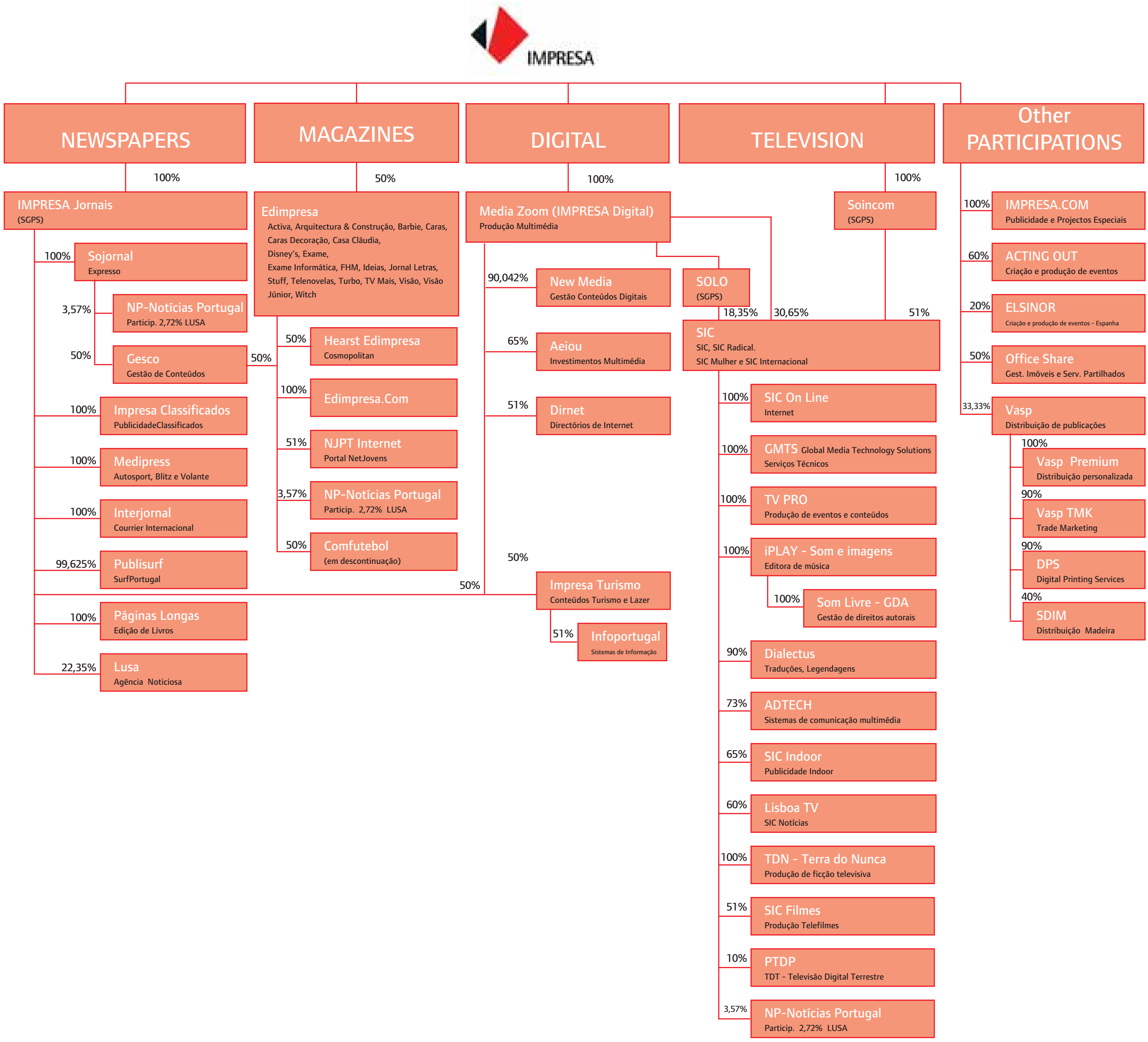
José Pedro Aguiar-Branco

President of the General Assembly
Age:50.
President of the general assembly of Impresa since 2006.
Member of Conselho Superior de Magistratura (since 2000), Minister of Justice (2004), Member of the parliament (since 2005).
José Pedro Aguiar-Branco has a law degree.

José Manuel Durão

Company Secretary
Age: 59.
Company Secretary since 2001.
Is President of the general assembly of Soincom, Sojornal, Lisboa TV and Vice-President of Lusa and NP.
He is also Company Secretary of Impresa Jornais.
José Manuel Durão has a law degree.

IMPRESA AT A GLANCE



CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2007 AND 2006
(Amounts stated in Euros)
(Translation of balance sheets originally issued in Portuguese - Note 41)

ASSETS	NOTES	31 DECEMBER 2007	31 DECEMBER 2006
NON-CURRENT ASSETS:			
Intangible assets:			
Goodwill	18	293,910,184	288,846,453
Other intangible assets	18	2,756,225	1,034,142
Tangible fixed assets	19	34,171,987	30,224,908
Financial investments	20 and 32	4,094,977	4,896,377
Available-for-sale assets	21	8,927,674	-
Investment properties	22 and 32	6,156,254	10,990,104
Broadcasting rights and TV programs	23 and 32	35,038,561	29,985,190
Inventories	23 and 32	773,826	1,285,140
Other non-current assets	25	3,969,115	4,739,048
Deferred taxes	16	1,855,771	5,105,742
Total non-current assets		391,654,574	377,107,104
CURRENT ASSETS:			
Broadcasting rights and TV programs	23 and 32	16,787,572	17,877,376
Inventories	23 and 32	2,770,918	3,126,456
Customers and accounts receivable	24 and 32	48,962,522	45,750,492
Other current assets	25	9,288,263	4,463,279
Discontinued operations	12	77,293	265,503
Cash and cash equivalents	26	32,241,554	20,258,217
Total current assets		110,128,122	91,741,323
TOTAL ASSETS		501,782,696	468,848,427
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	27	84,000,000	84,000,000
Share premium	27	97,902,257	97,902,257
Legal reserve	27	759,786	759,786
Accumulated losses and other reserves	27	(32,524,161)	(48,987,719)
Consolidated net profit for the year	27	18,088,845	16,463,558
Equity attributable to the shareholders of the parent company		168,226,727	150,137,882
Equity attributable to minority interest	28	3,527,657	3,176,807
TOTAL EQUITY		171,754,384	153,314,689
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	29	182,298,978	210,153,936
Suppliers and accounts payable	30	11,031,443	10,238,634
Other non-current liabilities	21	6,017,163	-
Provisions	32	3,184,252	4,318,835
Total non-current liabilities		202,531,836	224,711,405
CURRENT LIABILITIES:			
Bank loans	29	32,037,113	18,952,163
Suppliers and accounts payable	30	49,968,762	35,291,892
Discontinued operations	12	258,513	395,356
Other current liabilities	31	45,232,088	36,182,922
Total current liabilities		127,496,476	90,822,333
TOTAL EQUITY AND LIABILITIES		501,782,696	468,848,427

The accompanying notes form an integral part of the consolidated balance sh eet as of 31 December 2007.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006
(Amounts stated in Euros)
(Translation of profit and loss statements originally issued in Portuguese - Note 41)

	NOTES	31 DECEMBER 2007	31 DECEMBER 2006
OPERATING REVENUE			
Sales	10	39,180,348	38,365,101
Services rendered	10	235,883,163	214,200,725
Other operating revenues	11	3,392,508	2,672,037
Investment properties income	22	1,660,122	-
Total operating revenue		280,116,141	255,237,863
OPERATING EXPENSES			
Cost of sales and broadcasted programs	13	(99,434,708)	(94,151,683)
Supplies and services		(69,716,472)	(62,774,513)
Payroll	14	(61,111,966)	(54,012,425)
Amortisation and depreciation	18 and 19	(7,469,579)	(7,566,949)
Provisions and impairment losses	32	(1,148,571)	(1,526,114)
Other operating expenses	11	(2,482,000)	(2,356,631)
Total operating expenses		(241,363,296)	(222,388,315)
Operating profit		38,752,845	32,849,548
FINANCIAL INCOME AND EXPENSES			
Gains and losses on associated companies	15	114,508	520,767
Interest and other financial costs	15	(14,207,219)	(11,996,437)
Other financial income	15	1,783,399	1,051,189
		(12,309,312)	(10,424,481)
Profit before tax		26,443,533	22,425,067
Income tax expense	16	(7,612,375)	(3,663,747)
Discontinuing operations	12	(25,684)	(1,185,580)
Consolidated net profit for the year		18,805,474	17,575,740
Attributable to:			
Shareholders of the parent company		18,088,845	16,463,558
Minority interest	28	716,629	1,112,182
Earnings per share:			
Basic	17	0,1077	0,1960
Diluted	17	0,1078	0,2101

The accompanying notes form an integral part of the statement of profit and loss by nature for the year ended 31 December 2007.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Amounts stated in Euros)

(Translation of a statement of changes in equity originally issued in Portuguese - Note 41)

	Equity attributable to the shareholders of the parent company						Equity attributable to minority interest	Total do equity
	Share Capital	Sharee premium	Legal reserve	Retained earnings and other reserves	Consolidated net profit for the year	Total		
Balance at 31 December 2005	84,000,000	97,902,257	591,589	(70,827,151)	22,007,629	133,674,324	3,461,196	137,135,520
Appropriation of the consolidated profit for the year ended 31 December 2005	-	-	168,197	21,839,432	(22,007,629)	-	-	-
Consolidated net profit for the year ended 31 December 2006	-	-	-	-	16,463,558	16,463,558	1,112,182	17,575,740
Dividends paid by SIC Notícias	-	-	-	-	-	-	(1,641,167)	(1,641,167)
Changes in the consolidation perimeter	-	-	-	-	-	-	216,858	216,858
Other	-	-	-	-	-	-	27,738	27,738
Balance at 31 December 2006	84,000,000	97,902,257	759,786	(48,987,719)	16,463,558	150,137,882	3,176,807	153,314,689
Appropriation of the consolidated profit for the year ended 31 December 2006	-	-	-	16,463,558	(16,463,558)	-	-	-
Consolidated net profit for the year ended 31 December 2007	-	-	-	-	18,088,845	18,088,845	716,629	18,805,474
Dividends paid by SIC Notícias	-	-	-	-	-	-	(1,244,040)	(1,244,040)
Supplementary capital contributions of AEIOU	-	-	-	-	-	-	87,320	87,320
Changes in the consolidation perimeter	-	-	-	-	-	-	791,665	791,665
Other	-	-	-	-	-	-	(724)	(724)
Balance at 31 December 2007	84,000,000	97,902,257	759,786	(32,524,161)	18,088,845	168,226,727	3,527,657	171,754,384

The accompanying notes form an integral part of the consolidated statement of changes in equity for the year ended 31 December 2007.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Amounts stated in Euros)

(Translation of cash flow statements originally issued in Portuguese - Note 41)

	Notes	2007	2006
OPERATING ACTIVITIES			
Cash receipts from customers		270,126,163	248,409,363
Cash paid to suppliers		(156,692,753)	(161,702,851)
Cash paid to employees		(55,711,646)	(56,980,255)
Cash generated from operations		57,721,764	29,726,257
Payments relating to income taxes		(3,381,104)	(2,310,025)
Other cash received/(paid) relating to operating activities		(3,769,926)	(3,489,093)
Net cash from operating activities (1)		50,570,734	23,927,139
INVESTING ACTIVITIES			
Cash received relating to:			
Financial investments	15	3,058	405,797
Investment properties	22	6,500,000	-
Tangible fixed assets		86,209	1,210,705
Interest and other similar income		865,908	387,694
		7,455,175	2,004,196
Cash paid relating to:			
Financial investments	8	(5,123,087)	(2,362,574)
Available-for sale assets	21	(993,937)	-
Tangible fixed assets		(6,419,655)	(2,662,929)
Intangible assets		(2,075,779)	(294,276)
		(14,612,458)	(5,319,779)
Net cash used in investing activities (2)		(7,157,283)	(3,315,583)
FINANCING ACTIVITIES			
Cash received relating to:			
Bank loans		14,120,850	1,650,006
Capital increases		-	90,000
		14,120,850	1,740,006
Cash paid relating to:			
Bank loans		(27,038,049)	(12,235,572)
Lease rentals		(1,782,374)	(1,627,859)
Interest and similar expenses		(14,307,152)	(11,751,793)
Dividends	28	(1,244,040)	(1,641,167)
		(44,371,615)	(27,256,391)
Net cash used in financing activities (3)		(30,250,765)	(25,516,385)
Net variation in cash and cash equivalents (4) = (1) + (2) + (3)		13,162,686	(4,904,829)
Changes in consolidation perimeter	8	410,025	(235,340)
Cash and cash equivalents at the beginning of the year	26	15,340,464	20,480,633
Cash and cash equivalents at the end of the year	26	28,913,175	15,340,464

The accompanying notes form an integral part of the cash flow statements for the years ended 31 December 2007.

05 Accounts

05.1 Introduction

Impresa – Sociedade Gestora de Participações Sociais, S.A. ("Impresa") has its head-office in Lisbon, in Rua Ribeiro Sanches, 65,
and was founded on 18 October 1990, as an holding company.

The Impresa Group ("the Group") consists of Impresa and its subsidiaries (Note 4). The Group operates in the media industry, namely in television broadcasting, publishing and distribution of newspapers and magazines and other audiovisual activities.

These financial statements were approved for publication by the Board of Directors of Impresa in 5 March 2008 and will be submitted for approval by the Shareholders' General Meeting which, in accordance with current legislation, can still make changes to them.

05.2 Main Accounting Policies

05.2.1 Bases of presentation

The consolidated financial statements have been prepared on a going concern basis from the accounting records of the companies included in the consolidation (Notes 4 and 5), in accordance with IAS/IFRS as adopted by the European Union, which include the International Accounting Standards ("IAS") issued by the International Standards Committee ("IASC"), International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and related "SIC" e "IFRIC" interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). These standards will hereinafter be referred to as "IFRS".

Impresa adopted IFRS in the preparation of its consolidated financial statements for the first time in 2005 and so, in compliance with IFRS 1 – First-time Adoption of International Financial Reporting Standards ("IFRS 1"), the date of transition date from Portuguese generally accepted accounting principles into IFRS rules is considered to be 1 January 2004.

Therefore, in compliance with IAS 1, Impresa declares that these consolidated financial statements and related notes comply with the requirements of IAS/IFRS as adopted by the European Union.

05.2.2 Adoption of new or revised IAS/IFRS

In the year ended 31 December 2007, IFRS 7 – Financial Instruments – Disclosure ("IFRS 7"), which is applicable to the years starting on or after 1 January 2007, was adopted. The impact of adopting IFRS 7 consists of the additional disclosures related to financial instruments (Note 39).

At the date of approval of these financial statements by the Board of Directors, the following standards and interpretations with mandatory application in future years, not yet adopted by the Company, had been issued:

- IAS 1 (revised) – Presentation of financial statements (years beginning on or after 1 January 2009)
- IAS 23 (revised) – Financing costs (years beginning on or after 1 January 2009)
- AS 27 (revised) – Consolidated and separate financial statements (years beginning on or after 1 January 2009)

- IAS 28 (revised) – Investments in associated companies (years beginning on or after 1 January 2009)
- IAS 31 (revised) – Interests in joint ventures (years beginning on or after 1 July 2009)
- IAS 32 (revised) –Financial instruments: presentation (years beginning on or after 1 January 2009)
- IFRS 2 (revised) – Share-based payments (years beginning on or after 1 January 2009)
- IFRS 3 (revised) – Concentration of business activities (years beginning on or after 1 July 2009)
- IFRS 8 – Segment reporting (years beginning on or after 1 January 2009)
- IFRIC 12 – Concession contracts (years beginning on or after 1 January 2008)
- IFRIC 13 – Loyalty programs (years beginning on or after 1 July 2008)
- IFRIC 14 – Defined benefits (years beginning on or after 1 January 2008)

Of these standards, the Board of Directors believes that IAS 31 (revised), IFRS 2 (revised) and IFRIC 12 are not applicable to the Company. The Group is still assessing the impact on the consolidated financial statements of adopting the other standards.

05.2.3 Consolidation principiles

The consolidation methods used by the Group are as follows:

a) Controlled companies

Investments in companies in which the Group holds, directly or indirectly, the majority of the voting rights in the General Shareholder's Meeting or has the power to control their financial and operating policies have been included in these consolidated financial statements by the global method of integration. Shareholders' equity and net profit and loss of these companies corresponding to third party participation in them are presented separately in the consolidated balance sheet and statement of profit and loss under the caption "Minority interest". The companies included in the consolidated financials statements are presented in Note 4.

Where losses applicable to the minority shareholders exceed minority interest in the subsidiary's equity, the Group absorbs them plus any additional losses, except where the minority shareholders have a binding obligation to cover the losses. If the subsidiary subsequently reports profits, the Group recognises all such profits until it has recovered the minority portion of the losses previously recognised.

Assets and liabilities of subsidiaries are reflected at their respective fair values on acquisition date. Any excess of cost over the fair value of identifiable net assets is recorded as goodwill. Where cost is lower than the fair value of the identifiable net assets, the difference is recognised as income in the statement of profit and loss for the year of the acquisition. Minority interest in controlled companies is recorded at the respective proportion of the fair value of identified assets and liabilities.

The results of subsidiaries acquired or sold of during the year are included in the consolidated statement of profit and loss from the date of acquisition or up to the date of sale, as appropriate.

Significant intra-group transactions and balances are eliminated on consolidation. Capital gains resulting from the sale of participated companies within the Group are also eliminated in consolidation.

Whenever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

b) Jointly controlled companies

Companies in which the Group has joint control over their financial and operating policies have been included in the consolidated financial statements by the proportional method. In accordance with this method, assets, liabilities, income and expenses have been included in the consolidated financial statements, caption by caption, in proportion to the control held by the Group.

Intra-group transactions, balances and dividends are eliminated in proportion to the control attributable to the Group.

Classification of investments in jointly controlled companies is determined based on the effective control over the participated company, determined, namely, by the number of directors appointed and influence on the management of the participated company.

The jointly controlled companies are listed in Note 5.

c) Associated companies

An associated company is one over which the Group has significant influence, but does not have control or joint control over decisions relating to the operating and financial policies.

Investments in associated companies (Note 6) are recorded in accordance with the equity method of accounting, except when the investment is classified as held for sale. Investments in associated companies are initially recorded at cost, which is subsequently increased or decreased by the difference between that cost and the proportion of those companies' equity, as of the acquisition date or the date the equity method is applied for the first time.

In accordance with the equity method, investments are periodically adjusted by the amount corresponding to the Group's share in the results of the associated companies by corresponding entry to the caption "Gains and losses on associated companies" (Note 15), and by other changes in equity by corresponding entry to the caption "Accumulated losses and other reserves", as well as by the recognition of impairment losses.

The Group ceases applying the equity method of accounting when the investment in the associated company is reduced to zero, and a liability is recognised only if the Group has a legal or constructive obligation to the associated company or its creditors, or if it has made payments in favour of the associated company. If afterwards the associated company presents profits, the Group only restarts applying the equity method once its share of those profits equals the part of the losses not recognised.

The Group makes impairment assessments on investments in associated companies on an annual basis and whenever there are signs that the asset may be impaired, impairment losses being recorded in the statement of profit and loss. When impairment losses previously recognised ceases to exist, they are reversed up to the limit of the impairment loss recognised.

Any excess of cost over the fair value of identifiable net assets is recorded as goodwill and included in the book value of the investment. Where cost is lower than the fair value of the identifiable net assets, the difference is recognised as income in the statement of profit and loss for the year of the acquisition.

In addition, dividends received from these companies are recorded as a decrease in the amount of the investment.

Unrealised gains on transactions with associated companies are eliminated in proportion to the Group's interest in the associated company. Unrealized losses are also eliminated, but only to the extent that the loss does not show that the transferred asset is impaired.

d) Investments in other companies

Investments representing participations of less than 20%, for which there are no market values, are recorded at the lower of cost or estimated realisable value.

05.2.4 Intangible assets

a) Goodwill

Goodwill represents the excess of acquisition cost over the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary or jointly controlled entity as of its acquisition date. Where cost is lower than the fair value of the identifiable net assets, the difference is recognised as income in the statement of profit and loss for the year of the acquisition.

As a result of the exception established in IFRS 1, the Group did not apply, retrospectively, the provisions of IFRS 3 to acquisitions occurred prior to 1 January 2004, and so, goodwill arising on acquisitions prior to the transition in to IFRS (1 January 2004) was maintained at the net book value determined in accordance with generally accepted accounting principles in Portugal, adjusted by the effect of intangible assets not accepted for IFRS purposes, and subject to impairment testing, the impact of such adjustments being recorded under "Accumulated losses", as required by IFRS 1.

Goodwill is recorded as an asset and is not amortised, being reflected separately in the balance sheet. Goodwill is tested for impairment annually and whenever there are indications of a possible loss. Impairment losses are recorded immediately as costs in the statement of profit and loss and can not be subsequently reversed (Note 18).

Goodwill is considered in determining the gain or loss on the sale of a subsidiary, associated company or jointly controlled entity.

b) Intangible assets except goodwill

Intangible assets, which include software (except for that related to fixed assets), trademarks and titles, licenses and other rights, are recorded at cost less accumulated amortisation and any impairment losses. Intangible assets are only recognised when it is probable that they will generate future economic benefits, are controllable by the Group and can be reliably measured.

Internally generated intangible assets, namely current research and development expenses, are expensed as occurred.

Internal costs relating to maintenance and development of software are expensed as occurred, except where the development costs are directly related to projects with expected future financial benefits for the Group. In such situations, these costs are capitalised under intangible assets.

Intangible assets are amortised, from the moment the assets are available for use, on a straight-line basis over their estimated useful lives, which vary from three to six years.

05.2.5 Tangible fixed assets

Tangible fixed assets acquired up to 31 December 2003 are recorded at deemed cost, which corresponds to cost or cost restated valued based on price indices in accordance with tax legislation in force less corresponding accumulated depreciation.

Fixed assets acquired after that date are stated at acquisition or production cost less accumulated depreciation and impairment losses. Acquisition cost is defined as the purchase price, plus related purchase costs and estimated dismantling costs, including asset removal and site re-qualification.

As a result of the exception in IFRS 1, revaluations recorded prior to the transition date were maintained, that amount being considered as deemed cost for IFRS purposes.

Estimated losses resulting from the replacement of equipment before the end of its useful life, due to technological obsolescence, are recognised as a decrease in the corresponding asset in the statement of profit and loss for the year.

Current maintenance and repair costs are expensed as incurred. Improvements are only recognised as assets where they correspond to the replacement of assets which are written off, and result in increased future economic benefits.

Tangible fixed assets in progress are recorded at cost less any accumulated impairment losses and start to be depreciated when the assets are completed or available for use.

Tangible fixed assets are depreciated as from the time they become available for their intended use. Depreciation of cost less estimated residual value (if significant) is provided on a straight-line basis, from the month the asset becomes available for use, over the period of its expected useful life, as follows:

	Years
Buildings and other constructions	10 – 50
Machinery and equipment	4 – 10
Transport equipment	3 – 6
Tools and utensils	3 – 8
Administrative equipment	3 – 10
Other tangible fixed assets	4 – 8

05.2.6 Finance and operating leases

Leases are classified as (i) finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee and (ii) operating leases when the lease does not transfer substantially all the risks and rewards of ownership to the lessee.

Leases are classified as finance or operating based on the substance of the contracts rather than their form.

Assets acquired under finance lease contracts, as well as the corresponding liabilities, are recorded in accordance with the financial method. Under this method the cost of the assets is recorded under tangible assets, at the lower of their fair value at the inception of the lease or the present value of the minimum lease payments. The corresponding liability to the lesser is included in the balance sheet as a finance lease obligation. Assets are depreciated in accordance with their estimated useful lives, the lease instalments being recorded as a reduction of the liability, and interest and depreciation of the asset are recognised as costs in the statement of profit and loss for the period to which they relate.

Operating lease instalments are charged to the statement of profit and loss over the term of the lease contract.

05.2.7 Investment properties

Investment properties consist essentially of land held for leasing, capital appreciation or both, and not for use in the production of goods, rendering of services or for administrative purposes.

Investment properties are initially recorded at cost including transaction costs, the Group having opted to record it at historical cost.

Maintenance, repair, insurance and tax costs, as well as any income realised on investment properties are recognised in the consolidated statement of profit and loss for the period to which it relates.

05.2.8 Non-current assets held for sale

Non-current assets held for sale (or discontinued operations and related group of assets and liabilities) are stated at the lower of book value or fair value less costs to sell and are classified as held for sale if the amount is realisable through a sales transaction rather than through continued use. This condition is considered to exist only when: (i) the sale is highly probable and the asset is available for immediate sale in its present condition; (ii) management is committed to the sale; and (iii) the sale is expected to be realised within a period of 12 months.

05.2.9 Financial instruments

05.2.9.1 Trade and other receivables

Trade and other receivables are recorded at their nominal value less any impairment losses so that they reflect their net realisable value. The amount of the loss, which is recognised in the statement of the profit and loss for the period, is the difference between book value and the recoverable amount, recoverable amount corresponding to the present value of the estimated cash flows, discounted at the effective rate.

05.2.9.2 Cash and cash equivalents

Cash and cash equivalents comprise cash, term deposits and other treasury applications which mature in less than three months that are readily convertible to cash with an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, reflected under the caption “Bank loans” on the balance sheet.

05.2.9.3 Negotiable securities and other treasury applications

Negotiable securities and other treasury applications which mature in more than three months are recorded at the lower of cost or market value under the caption “Other current assets”.

05.2.9.4 Payables

Payables are recorded at their nominal value, discounted for possible interest calculated in accordance with the effective interest rate method.

05.2.9.5 Bank loans

Bank loans and overdrafts are initially recognised at fair value, net of expenses relating to their issuance and transaction costs, and are subsequently measured at amortised cost. Any difference between the amount received (net of transaction costs) and the amount payable is recognised over the term of the loan using the effective interest rate method.

Loans that mature in less than twelve months are classified as current liabilities, unless the Group has the unconditional right of deferring the settlement of them for more than twelve months after the balance sheet date.

05.2.9.6 Other financial instruments

Derivative financial instruments are used to hedge the financial risks to which the Group is exposed as a result of variations in interest and exchange rates. The Group does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. Derivatives are measured at fair value. The recognition method depends on the nature and objectives for which they were contracted.

05.2.9.7 Hedge accounting

The possibility of considering a derivative financial instrument as a hedge instrument is based on the provisions of IAS 39, namely as to its documentation and effectiveness.

Variations in the fair value of derivative instruments designated as "fair value" hedges, as well as changes in the fair value of the asset or liability subject to the risk are recognised as financial income and expenses for the period.

Variations in the fair value of derivative instruments designated as "cash-flow" hedges are recorded under "Other reserves" as regards to their effective component and as financial income and expenses as regards to their non-effective component. The amounts recorded under "Other reserves" are transferred to financial income and expenses in the period the hedged item also affects results.

Hedge accounting is discontinued when the hedging instrument reaches maturity, is sold or exercised, or when the hedging relationship ceases complying with the requirements of IAS 39.

05.2.9.8 Trading instruments

Variations in fair value of derivative financial instruments that, although contracted with the objective of hedging risks in accordance with the Group's risk management policies, do not comply with all the hedge accounting provisions of IAS 39, are recorded in the statement of profit and loss for the period in which they occur.

05.2.9.9 Available-for-sale assets

Financial assets classified as available for sale are initially recorded at cost, which reflects the fair value of the price paid including transaction costs and are considered as non-current assets.

05.2.10 Inventories, broadcasting rights and TV programs

Inventories are stated at the lower of production (or acquisition cost, as applicable), or net realisable value, using the weighted average cost method.

Net realisable value is estimated based on the Company's past experience considering the following criteria:

- Inventory age and turnover;
- Relaunching prospects;
- Possibility of utilisation;
- Agreements with third parties regarding their disposal or return.

The Group records under the caption "Broadcasting rights and TV programs" advances made for the acquisition of programs and rights acquired from third parties to broadcast programs, by corresponding entry to the caption "Trade payables" when such rights come into force and the following conditions are simultaneously met:

- The cost of the broadcasting rights is known and can be reasonably determined;
- The program content has been accepted under the conditions established contractually; and
- The programs are available for broadcasting without restrictions.

Program broadcasting rights correspond essentially to contracts or agreements with third parties for the exhibition of films, series and other TV programs and are valued at specific cost. The cost of programs is recognised in the statement of profit or loss when the programs are broadcasted, considering the estimated number of broadcasts and estimated benefits of each broadcast.

The future financial commitments for the acquisition of programs are shown in Note 35.2.

Impairment losses (Notes 22 and 32) are recognised whenever book value is greater than the recoverable amount.

05.2.11 Provisions, contingent liabilities and assets

Provisions are recognised when, and only when, the Group has a present obligation (legal or implied) resulting from a past event, the resolution of which will probably require expending internal resources and whose amount can be reasonably estimated.

Provisions for restructuring costs only recognised when a detailed formal plan exists identifying the main characteristics of the project, and after the plan has been communicated to the entities involved.

The amount of provisions is reviewed and adjusted at each balance sheet date so as to reflect the best estimate at that time.

When any of the above mentioned conditions are not met, the corresponding contingent liability is not recorded but only disclosed (Note 34), unless a future outflow of cash is remote, in which case it is not disclosed.

Contingent assets resulting from past events, the existence of which depends upon the occurrence of one or more future uncertain events which are not completely under the Group's control, are not recorded but disclosed in the notes to financial statements.

05.2.12 Pension responsibilities

Some of the Group companies have assumed the commitment to grant their employees and executive Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

Responsibility for the payment of retirement, incapacity and survivor pensions is recorded in accordance with the provisions of IAS 19, which requires companies with pension plans to recognise the cost of granting such benefits as the services are rendered by the benefiting employees.

Accordingly, at the end of each accounting period the Group obtains an actuarial study made by an independent entity, in order to determine its liability at that date and the pension cost to be recognised in the period. The liability thus estimated is compared with the market value of the pension fund assets in order to determine the amount of contributions to be made or recorded as a liability. Pension costs are recorded under the caption "Payroll – Social charges" based on the amounts determined by the actuarial study, and include:

- Current service cost
- Interest cost
- Estimated income of the assets of the funds
- Recognition of actuarial gains and losses.

The effect of changes in assumptions, difference between the assumptions used and the actual amounts and between the estimated and actual income of the pension fund assets are considered as actuarial gains and losses.

The Group has not adopted the exception mentioned in IFRS 1 and so the international accounting standards were applied retroactively since the beginning of the plan. The corridor rule has not been used to recognise actuarial gains and losses, a faster recognition method having been used, which consists of recognizing immediately in the profit and loss statement, all actuarial gains and losses.

The market value of the pension fund assets at 31 December 2007 and 2006 exceeds Impresa's estimated liability. As it has not been possible to reliably determine if the excess can be repaid to the Company or should result in a decrease in future contributions to the plan, in compliance with paragraph 58 of IAS 19, the Company has not recognised this asset.

05.2.13 Income taxes

Income tax is recorded in accordance with the provisions of IAS 12 – Income tax. Income tax for the year includes, not only current tax computed based on pre-tax results adjusted by the applicable tax legislation, but also the effect of temporary differences between pre-tax results and taxable results arising in the year or in previous years, as well as the effect of tax losses carried forward as of the balance sheet date.

As required by IAS 12, deferred tax assets are only recognised when there is reasonable expectation of enough future taxable profit to use them or there are deferred tax liabilities that revert in the same period as the deferred tax assets. At each year end, a review of deferred tax assets is made, and they are reduced whenever their future use ceases being probable.

05.2.14 Subsidies granted to finance tangible fixed assets

State subsidies are recognised at their fair value when there is a reasonable certainty that they will be received and the Group will comply with the conditions required for their concession.

05.2.15 Revenue recognition and accrual basis

Income from sales (relating mainly from the sale of newspapers, magazines, CD's, books and other publications) is recognised in the consolidated statement of profit and loss when all the risks and rewards of ownership are transferred to the buyer and the corresponding income can be reasonably quantified. Returns are recorded as a reduction of sales for the period to which they relate. Sales are recognised at the fair value of the amount received or receivable, net of taxes, discounts and other costs relating to their realisation.

Income from magazine subscriptions is deferred over the subscription period.

Income from services rendered (essentially the sale of advertising space in newspapers, magazines, television and the Internet, and from value added services ("VAS") is recognised in the consolidated statement of profit and loss when the advertising is inserted or broadcast. Services rendered are recognised at the fair value of the amount received or receivable, net of taxes, discounts and other costs relating to their realisation.

Income	Classification	Time of recognition
Sale of newspapers	Sales	When the newspapers are on the stands
Sale of magazines	Sales	When the magazines are on the stands
Sale of CD's, books and other publications	Sales	When the goods are on sale
Braodcasting of advertisements	Services rendered	When the advertising is broadcasted
Publication of advertisements	Services rendered	When the advertising is published
Value added services	Services rendered	When the services are rendered

Interest and financial income are recognised on an accruals basis in accordance with the applicable effective interest rate.

Costs and revenue are recorded in the period to which they relate, independently of when they are paid or received. Where the amount of costs and revenue is not known it is determined based on estimates.

05.2.16 Impairment of non-current assets, excluding goodwil

Impairment tests are made annually or whenever events or changes in circumstances are identified that indicate that the amount of an asset may be impaired. Where such indications exist, the recoverable amount of the asset is estimated in order to determine the amount, if any, of the impairment loss. Where an individual asset does not generate cash flow independently of other assets, the recoverable amount is estimated for the cash generating unit to which the asset belongs.

Intangible assets with undefined useful lives are subject to impairment tests annually and whenever there are indications that the assets may be impaired.

When the book value of an asset exceeds its recoverable amount an impairment loss is recognised under the profit and loss statement caption "Other operating costs".

The recoverable amount is the higher of net selling price (selling price less costs to sell) and value of use. Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value of use is the present value of the estimated future cash flows from continued use of the asset and its sale at the end of its useful life. The recoverable amount is estimated for each asset, individually or, whenever that is not possible, for the cash-generating unit to which the asset belongs.

Impairment losses recognised in previous years are reversed when there are indications that the impairment losses no longer exist or have decreased. The reversal of impairment losses is recognised immediately in the profit or loss statement caption "Other operating income". Impairment losses are reversed up to the amount that would have been recognised had no impairment loss been recognised for the asset (net of amortisation or depreciation) in prior years.

Impairment losses of goodwill are not reversed.

05.2.17 Foreign currency transactions and balances

Foreign currency assets and liabilities are translated to Euros at the exchange rates prevailing as of the balance sheet date, published by the Bank of Portugal, except where there are exchange rate fixing contracts, in which case the rate used is that defined in the contract (Note 2.9.6). Exchange gains and losses arising from differences between the historical exchange rates and those prevailing at the date of collection, payment or at the date of the balance sheet are recorded in the statement of profit and loss for the period.

05.2.18 Balance sheet classification

Assets realisable and liabilities payable in less than one year from the balance sheet date, or that are expected to be realised in the normal course of the Company's operations, or that are held with the intention of being sold in less than one year are classified in the consolidated balance sheet as current assets and liabilities.

05.2.19 Subsequent events

Events that occur after the balance sheet date that provide additional information of conditions that existed at the balance sheet date are reflected in the consolidated financial statements.

Events that occur after the balance sheet date, that provide additional information on conditions that existed after the balance sheet date, if significant, are disclosed in the notes to the financial statements.

05.3 Changes in policies, estimates and fundamental errors

In 2007 there were no changes in accounting policies in relation to those used in the preceding year, nor were material errors relating to prior years recognised.

As a result of uncertainties inherent to the Group's operations, the amounts estimated are based on the last reliable information available. The main estimates relate to the useful life of assets, impairment tests (goodwill and other assets), adjustments to assets and fair value provisions for financial instruments. The revision of a prior year estimate is not considered as an error. Changes in estimates are recognised prospectively in the statement of profit and loss and, if significant, are disclosed.
When material errors regarding previous years are identified the comparative information included in the financial statements for the period in which the error was identified is corrected retrospectively, as required by IFRS.

These estimates have been prepared based on the best information available at the date of preparation of the consolidated financial statements. However, events may occur in subsequent periods that, due to their timing, may not have been considered when making these estimates. In compliance with IAS 8, significant changes to these estimates, which occur after the date of the consolidated financial statements, are recognised prospectively in the statement of profit and loss.

05.4 Companies included in the consolidation

The companies included in consolidation by the global method of integration, their head offices and the proportion of capital effectively held in them at 31 December 2007 and 2006 are as follows:

Company	Head office	Main business	Percentage effectively held in 2007	2006
Impresa - Sociedade Gestora de Participações Sociais. S.A. (parent company)	Lisbon	Holding company	Parent	Parent
Impresa Jornais - Sociedade Gestora de Participações Sociais. S.A. ("Impresa Jornais")	Lisbon	Holding company	100.00%	100.00%
Interjornal - Sociedade Jornalística e Editorial. Lda. ("Interjornal")	Lisbon	Publishing	100.00%	100.00%
Media Zoom - Produção Multimédia (Impresa Digital). Lda. ("Media Zoom")	Lisbon	Multimedia production	100.00%	100.00%
Medipress - Sociedade Jornalística e Editorial. Lda. ("Medipress")	Lisbon	Publishing	100.00%	100.00%
SIC - Sociedade Independente de Comunicação. S.A. ("SIC")	Carnaxide	Generalist television	100.00%	100.00%
GMTS - Global Media Technology Solutions - Serviços Técnicos e Produção				
Multimédia. Sociedade Unipessoal. Lda. ("GMTS")	Carnaxide	Rendering of services	100.00%	100.00%
SIC Online - Comunicação e Internet. Sociedade Unipessoal. Lda. ("SIC Online")	Carnaxide	Rendering of services	100.00%	100.00%
Soincom - Sociedade Gestora de Participações Sociais. S.A. ("Soincom")	Lisbon	Holding company	100.00%	100.00%
Sojornal - Sociedade Jornalística e Editorial. S.A. ("Sojornal")	Lisbon	Publishing	100.00%	100.00%
Solo - Investimentos em Comunicação. SGPS. S.A. ("Solo")	Lisbon	Holding company	100.00%	100.00%
Publisurf - Edições e Publicidade. Lda. ("Publisurf")	Lisbon	Publishing	99.38%	99.00%
Gesco - Gestão de Conteúdos e Meios de Comunicação Social. S.A. ("Gesco")	Lisbon	Contents management	75.00%	75.00%
SIC INDOOR – Gestão de Suportes Publicitários. S.A. ("SIC Indoor")	Carnaxide	Closed circuit television	65.00%	65.00%
Lisboa TV - Informação e Multimédia. S.A. ("SIC Notícias")	Carnaxide	Cable television	60.00%	60.00%
SIC Filmes. Lda. (SIC Filmes")	Carnaxide	Film production	51.00%	51.00%
Impresa Classificados - Publicidade. Lda. ("Impresa Classificados")	Lisbon	Advertising negotiation	100.00%	100.00%
Páginas Longas - Sociedade Jornalística e Editorial. Lda. ("Páginas Longas")	Lisbon	Publishing	60.00%	60.00%
AEIOU - Investimentos Multimédia. Lda. ("AEIOU")	Porto	Multimedia production	50.10%	50.10%
Adtech - Advertising Technologies. Comunicação Multimédia. S.A. ("Adtech")	Carnaxide	Closed circuit television	73.00%	36.67%
TV PRO - Sociedade Unipessoal. Lda. ("TV PRO")	Carnaxide	Cable television	100.00%	100.00%
Som Livre. Som & Imagens. Lda. ("Som Livre")	Lisbon	Record production	100.00%	-
Som Livre - Gestão de Direitos Autorais. Lda. ("Som Livre GDA")	Lisbon	Record production	100.00%	-
Impresa Turismo e Lazer. Lda. ("Impresa Turismo")	Lisboa	Multimedia production	100.00%	-
Impresa.com - Publicidade e Projectos Especiais. Lda. ("Impresa.Com")	Lisboa	Multimedia production	100.00%	-
Dialectus - Traduções Técnicas. Legendagem e Locução. Lda. ("Dialectus")	Carnaxide	Translation, doubling and subtitles	90.00%	-
N.M.D.C. - New Media Digital Contents - Gestão de Conteúdos. Lda. ("New Media")	Carnaxide	Multimedia production	78.50%	-
InfoPortugal - Sistemas de informação e conteúdos. S.A ("InfoPortugal")	Porto	Multimedia production	51.00%	-
DIRNET - Directório da Internet. S.A. ("Dirnet")	Algés	Multimedia production	51.00%	-

In the year ended 31 December 2007, there were the following changes in the consolidation perimeter (Note 8):

- Incorporation of Impresa Turismo;
- Incorporation of Impresa.com;
- Acquisition of all the share capital of Som Livre, that is the sole quotaholder of Som Livre GDA;
- Acquisition of a 78.5% participation in New Media.
- Acquisition of a 90% participation in Dialectus.
- Acquisition of 51% participations in InfoPortugal and in Dirnet.
- Acquisition of additional participations of 36.33% and 0.38% in Adtech and Publisurf, respectively.

Publiregiões - Sociedade Jornalística e Editorial, Lda. ("Publiregiões") and Imprejornal - Sociedade de Impressão, S.A. ("Imprejornal") were excluded from the consolidated financial statements for the year ended 31 December 2006 (Note 8) as they were sold during the year.

05.5 Companies consolidated by the proportional method

The companies included in the consolidation by the proportional method, their head offices and the proportion of capital effectively held by the Group in them at 31 December 2007 and 2006 are as follows:

Company	Head office	Main business	Percentage effectively held in	
			2007	2006
Edimpresa - Editora. Lda. ("Edimpresa") and subsidiaries:	Oeiras	Publishing	50.00%	50.00%
Edimpresa.com - Internet e Multimédia. Unipessoal. Lda. ("Edimpresa.com")	Oeiras	Internet contents	50.00%	50.00%
Hearst Edimpresa - Editora de Publicações. S.A. ("Hearst Edimpresa")	Oeiras	Publishing	25.00%	25.00%
NJPT Internet. Lda. ("NJPT")	Oeiras	Internet contents	25.00%	-
Office Share - Gestão de Imóveis e Serviços. Lda. ("Office Share")	Oeiras	Management of properties and services	50.00%	50.00%

These companies were included in the consolidation by the proportional consolidation method, as management is shared with the other shareholder. The amounts of assets, liabilities, revenue and costs are shown in Note 9.

In 2007 Edimpresa acquired a participation in NJPT (Note 8).

Comfutebol - Edições Desportivas, Lda. ("Comfutebol") was excluded from the consolidated financial statements for the years ended 31 December 2007 and 2006 (Note 8) as they are discontinued operations.

05.6 Associated companies

The companies included in the consolidation in accordance with the equity method, their head offices and the proportion of capital effectively held by the Group in them at 31 December 2007 and 2006 are as follows:

Company	Head office	Percentage effectively held in	
		2007	2006
Vasp – Distribuidora de Publicações. Lda. ("Vasp") (a)	Queluz	33.33%	33.33%
Lusa – Agência de Notícias de Portugal. S.A. ("Lusa") (b)	Lisbon	22.35%	22.35%
TDN S.A. – Terra do Nunca Produções ("Terra do Nunca") (c)	Lisbon	30.00%	-
Global S 24 – Sociedade Gestora de Participações Sociais. S.A. ("Global S 24") (d)	Porto	-	50.00%

(a) Investment held by Impresa.

(b) Investment held by Impresa Jornais.

(c) Subscription for and realisation of 30% of the capital of Terra do Nunca by SIC in 2007, corresponded to an investment of 15,000 Euros (Note 20).

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(d) Participation sold in 2007 (Note 15).

05.7 Other companies

The financial investments in other companies and the proportion of capital held by the Group in them at 31 December 2007 and 2006 are as follows:

Company	Effective participation	
	2007	2006
PTDP – Plataforma de Televisão Digital Portuguesa. S.A. ("PTDP") (a)	10.000%	10.00%
NP - Notícias de Portugal. C.R.L. ("NP") (b)	8.93%	8.93%

These investments are recorded at the lower of cost or estimated realisable value:

(a) Investment held by SIC.

(b) Investment held by Sojornal, SIC and Edimpresa.

05.8 Changes in the consolidation perimeter

The following changes took place in the Group's consolidation perimeter in the year ended 31 December 2007:

- Acquisition of all the share capital of Som Livre and 78.50% of the share capital of New Media, by 1,631,874 Euros and 150,150 Euros, respectively, resulting in goodwill of 1,746,458 Euros and 234,111 Euros, respectively (Notes 4 and 18);

- Acquisition of an additional participation of 36.33% in Adtech for 18,315 Euros, resulting in goodwill of 375,340 Euros (Notes 4 and 18);

- Acquisition of 90% of the capital of Dialectus, 51% of the capital of InfoPortugal and 51% of the capital of Dirnet por 500,000 Euros, 2,295,000 Euros and 115,248 Euros, respectively, resulting in goodwill of 602,938 Euros, 2,065,500 Euros and 106,976 Euros, respectively (Notes 4 and 18);

- Acquisition of an additional participation of 0.38% in Publisurf by 2,500 Euros (Note 4);

- Incorporation of Impresa.Com e Impresa Turismo (Note 4);

- Participation in the incorporation of NJPT with a 1% participation, corresponding to an investment of 50 Euros and subsequent investment of 24.5% for 397,500 Euros, resulting in goodwill of 402,948 Euros (Notes 5 and 18).

The impact of these changes in the consolidation perimeter for 2007, excluding goodwill, was as follows:

- Increase in assets	8,735,737
- Increase in liabilities	8,540,626
- Increase in income	9,035,514
- Increase in costs	7,998,800

Additional information on the participations acquired in 2007 is as follows:

Company	Acquisition month	Incorporated result in consolidation process
Som Livre	February	(159,964)
Som Livre GDA	February	(55,964)
Dialectus	December	-
InfoPortugal	September	(10,867)
Dirnet	December	-
NJPT	December	-
New Media	January	(809,816)

The following changes took place in the Group's consolidation perimeter in the year ended 31 December 2006:

- Sale of Publiregiões and Imprejornal for 600 Euros and 5,000,000 Euros, respectively, resulting in a loss of 1,182,876 Euros (Note 4);

- Classification of Comfutebol as a discontinued operation, as it is in the process of discontinuation (Notes 5 and 12);

- Foundation of Impresa Classificados, Páginas Longas and TV PRO;

- Acquisition of 50.1% of the capital of AEIOU and 36.67% of the capital of Adtech for 1,252,574 Euros and 110,000 Euros, respectively, resulting in consolidation differences of 1,168,152 Euros and 95,200 Euros, respectively (Note 18).

The notes that show the changes in balance sheet captions in the years ended 31 December 2007 and 2006 include a line with the heading "Changes in the consolidation perimeter", that reflects the changes in the composition of the above companies included in the consolidation.

05.9 Reporting by segments

The Group identifies its reporting segments based essentially on a combination of the differences in the products and services and differences in the legal framework. These segments are consistent with the manner in which the Group analyses its business. Therefore, considering these factors, the Group has identified the following reporting segments:

Television – The Group is the sole shareholder of SIC that broadcasts in open signal and by cable, under broadcasting licences, the television channels "SIC", "SIC Notícias", "SIC Radical", "SIC Internacional", "SIC Mulher", and in closed circuit "SIC INDOOR" and "Adtech". In addition, the Group includes GMTS, SIC Online, Som Livre and its subsidiary Som Livre GDA, SIC Filmes and Dialectus in this segment.

Magazines – The Group publishes, through Edimpresa, a wide range of magazines covering several themes, including business, politics, automobile and society. In addition, the Group includes in this segment NJPT and half of the activity of Gesco.

Newspapers – The Company publishes the weekly newspaper "Expresso", the weekly music magazine "Blitz", the weekly automobile newspaper "Autosport", the monthly edition of "Surf Portugal" and the weekly newspaper "Courrier internacional". The Group also includes in this segment, half of Gesco's activity.

Digital – The Group produces and distributes contents in digital form through its portals "AEIOU", "MyGames" and "MyVideos" and "Digital Guest Services" for the hotel industry. The Group also includes in this segment, Impresa.Com, Impresa Turismo and InfoPortugal, that operates in the digital cartography area.

Others – Includes the group holding companies and Office-Share.

In the Newspaper and magazine segment, sales to VASP contributed 10% and 13%, respectively, of the Group's revenue reflected in the statement of profit and loss for the years ended 31 December 2007 and 2006, corresponding to 28,501,494 Euros and 34,052,244 Euros, respectively (Note 37). VASP is an intermediary between the publishers and the distribution network to the final customer, in which Impresa has a 33.33% participation (Note 6). In addition, advertising revenues result essentially from purchases from Group companies by five media central companies, that operate as intermediaries between the advertiser and the group companies.

Inter-segment transactions are recorded using the same principles as transactions with third parties. The accounting policies of each segment are the same as those of the Group.

a) Reporting by main segment – Business segment:

	Television	Newspapers	Magazine	Digital	Others	Segment total	Eliminations	Consilated total
Operating revenues:								
Sales - external costumers	5,941,425	15,096,057	16,935,116	1,207,750	-	39,180,348	-	39,180,348
Services rendered - external costumers	176,895,199	37,993,508	18,404,947	1,939,099	650,410	235,883,163	-	235,883,163
Services rendered - intersegment	1,032,299	618,524	537,728	425,582	1,932,487	4,546,620	(4,546,620)	-
Other operating revenues - external costumers	988,288	780,492	325,017	574,315	724,396	3,392,508	-	3,392,508
Other operating revenues - intersegment	324,540	45,379	-	13,742	563,113	946,774	(946,774)	-
Investment properties revenues	-	1,660,122	-	-	-	1,660,122		1,660,122
Total operating revenues	185,181,751	56,194,082	36,202,808	4,160,488	3,870,406	285,609,535	(5,493,394)	280,116,141
Operating expenses:								
Cost of sales and broadcasted programs	(82,192,589)	(8,134,482)	(7,918,985)	(1,188,652)	-	(99,434,708)	-	(99,434,708)
Supplies and services	(33,073,796)	(20,587,647)	(17,030,188)	(2,705,052)	(1,813,183)	(75,209,866)	5,493,394	(69,716,472)
Payroll	(31,853,223)	(15,108,249)	(9,282,139)	(1,747,063)	(3,121,292)	(61,111,966)	-	(61,111,966)
Amortisation and depreciation	(5,576,094)	(843,995)	(362,511)	(406,958)	(280,021)	(7,469,579)	-	(7,469,579)
Provisions and impairment losses	(1,132,122)	(11,449)	(5,000)	-	-	(1,148,571)	-	(1,148,571)
Other operating expenses	(1,159,405)	(734,692)	(46,429)	(96,189)	(445,285)	(2,482,000)	-	(2,482,000)
Total operating expenses	(154,987,229)	(45,420,514)	(34,645,252)	(6,143,914)	(5,659,781)	(246,856,690)	5,493,394	(241,363,296)
Operating profit/loss	30,194,522	10,773,568	1,557,556	(1,983,426)	(1,789,375)	38,752,845	-	38,752,845
Financial results:								
Gains and losses on associated companies	(84,092)	-	-	-	198,600	114,508	-	114,508
Other financial results	(84,171)	(455,335)	(470,314)	(70,521)	(11,343,479)	(12,423,820)	-	(12,423,820)
	(168,263)	(455,335)	(470,314)	(70,521)	(11,144,879)	(12,309,312)	-	(12,309,312)
Profit/loss before income tax and minority interest	30,026,259	10,318,233	1,087,242	(2,053,947)	(12,934,254)	26,443,533	-	26,443,533
Income tax	(8,149,166)	(2,506,839)	(297,691)	492,316	2,849,005	(7,612,375)	-	(7,612,375)
Minority interest	(1,051,652)	(10,362)	14,860	330,862	(337)	(716,629)	-	(716,629)
Discontinued operations (Note 12)	-	-	(25,684)	-	-	(25,684)	-	(25,684)
Segment profit/(loss)	20,825.441	7,801,032	778,727	(1,230,769)	(10,085,586)	18,088,845	-	18,088,845

31 December 2006:

	Television	Newspapers	Magazine	Others	Segment total	Eliminations	Consilated total
Operating revenues:							
Sales - external costumers	-	18,793,911	19,571,190	-	38,365,101	-	38,365,101
Sales - inter segment	-	6,873	14	-	6,887	(6,887)	-
Services rendered - external costumers	161,215,502	35,743,969	17,158,664	82,590	214,200,725	-	214,200,725
Services rendered - intersegment	1,023,966	261,444	181,795	2,258,883	3,726,088	(3,726,088)	-
Other operating revenues - external costumers	1,687,540	156,915	789,175	38,407	2,672,037	-	2,672,037
Other operating revenues - intersegment	75,000	29	396,255	872,290	1,343,574	(1,343,574)	-
Total operating revenues	164,002,008	54,963,141	38,097,093	3,252,170	260,314,412	(5,076,549)	255,237,863
Operating expenses:							
Cost of sales and broadcasted programs	(76,372,634)	(9,487,583)	(8,291,466)	-	(94,151,683)	-	(94,151,683)
Supplies and services	-26,277,883	(21,705,452)	(18,155,650)	(1,712,077)	(67,851,062)	5,076,549	(62,774,513)
Payroll	(27,595,761)	(13,989,091)	(9,415,795)	(3,011,778)	(54,012,425)	-	(54,012,425)
Amortisation and depreciation	(5,965,624)	(791,321)	(411,256)	(398,748)	(7,566,949)	-	(7,566,949)
Provisions and impairment losses	(1,120,160)	(322,645)	(27,500)	(55,809)	(1,526,114)	-	(1,526,114)
Other operating expenses	(841,612)	(809,211)	(131,808)	(574,000)	(2,356,631)	-	(2,356,631)
Total operating expenses	(138,173,674)	(47,105,303)	(36,433,475)	(5,752,412)	(227,464,864)	5,076,549	(222,388,315)
Operating profit/loss	25,828,334	10,773,568	1,663,618	(2,500,242)	32,849,548	-	32,849,548
Financial results:							
Gains and losses on associated companies	-	-	-	520,767	520,767	-	520,767
Other financial results	(154,359)	7,857,838	(476,743)	(10,004,804)	(10,945,248)	-	(10,945,248)
	(154,359)	(309,342)	(476,743)	(9,484,037)	(10,424,481)	-	(10,424,481)
Profit/loss before income tax and minority interest	25,673,975	(309,342)	1,186,875	(11,984,279)	22,425,067	-	22,425,067
Income tax	(6,502,946)	7,548,496	(413,507)	5,640,468	(3,663,747)	-	(3,663,747
Minority interest	(1,158,154,)	(2,387,762)	34,918	(1,133)	(1,112,182)	-	(1,112,182)
Discontinued operations (Note 12)	-	-	(2,704)	(1,182,876)	(1,185,580)	-	(1,185,580)
Segment profit/(loss)	18,012,875	5,172,921	805,582	(7,527,820)	16,463,558	-	16,463,558

Sales of the television segment correspond essentially to the sale of CD's by Som Livre, which was acquired in 2007 and is part of this segment.

The digital segment was created in 2007 and includes Media Zoom, several subsidiaries acquired in 2007 and AEIOU (acquired in 2006). Sales of this segment correspond essentially to the sale of televisions to hotel chains to which Media Zoom will provide contents on a video-on-demand system. Services rendered by this segment include internet advertising services (AEIOU), site programming and construction services (AEIOU), digital cartography services (InfoPortugal) and the supply of contents to hotels on a video-on-demand basis (Media Zoom).

Although AEIOU was acquired in 2006 and the investment in Media Zoom already existed at that date, information regarding the digital segment is not presented for 2006 as the investment was only acquired at the end of 2006 and Media Zoom's operations only started at the end of the year. Therefore the Group did not consolidate the statement of profit and loss of AEIOU for 2006 and presentation of the digital segment for 2006 is not justified. In the same way, segment information for 2007 does not include the results of Dialectus and Dirnet (television and digital segments, respectively), as these investments were only acquired in December 2007.

The results of discontinuing operations and available-for-sale assets included in the consolidated financial statements as of 31 December 2007 and 2006 are shown in Note 12.

Assets, liabilities and other significant information by segment and reconciliation to the consolidated totals are as follows:

31 December 2007:

	Television	Newspapers	Magazine	Digital	Others	Segment total	Eliminations	Consilated total
Goodwill	2,523,738	-	10,572,509	-	280,813,937	293,910,184	-	293,910,184
Financial investments	11,235	6,235	3,118	-	5,409,389	5,429,977	(1,335,000)	4,094,977
Other assets	157,763,712	27,679,380	7,079,038	14,276,307	15,026,414	221,824,851	(18,047,316)	203,777,535
Total assets	160,298,685	27,685,615	17,654,665	14,276,307	301,249,740	521,165,012	(19,382,316)	501,782,696
Bank loans	16,511,281	-	5,641,046	8,946,949	183,236,815	214,336,091		214,336,091
Other liabilities	86,782,274	16,944,326	7,044,040	6,219,737	18,084,160	135,074,537	(19,382,316)	115,692,221
Total liabilities	103,293,555	16,944,326	12,685,086	15,166,686	201,320,975	349,410,628	(19,382,316)	330,028,312
Other information:								
Additions to tangible fixed assets	8,467,434	161,217	187,908	1,214,885	122,118	10,153,562	-	10,153,562
Depreciation and amortisation for the year	5,576,043	843,995	362,511	406,958	280,072	7,469,579	-	7,469,579
Inpairment losses and decreases in realisable value recognised in the statement of profit and loss	658,196	244,387	395,470	6,586	-	1,304,639	-	1,304,639
Reversal of impairment losses and decreases in the realisable value of inventories	(1,283,114)	(328,382)	(1,324,068)	(36,392)	(60,433)	(3,032,389)	-	(3,032,389)
Average number of personnel	661	223	419	70	64	1,437	-	1,437

31 December 2006:

	Television	Newspapers	Magazine	Others	Segment total	Eliminations	Consilated total
Goodwill	269,542	-	10,169,561	278,407,350	288,846,453	-	288,846,453
Financial investments	1,009,988	6,235	2,494	4,777,660	5,796,377	(900,000)	4,896,377
Other assets	135,261,170	31,261,129	8,808,714	31,208,202	206,539,215	(31,433,618)	175,105,597
Total assets	136,540,700	31,267,364	18,980,769	314,393,212	501,182,045	(32,333,618)	468,848,427
Bank loans	25,691,989	7,648,906	7,616,918	188,148,286	229,106,099	-	229,106,099
Other liabilities	54,201,493	15,405,892	9,945,284	41,039,961	120,592,630	(34,164,991)	86,427,639
Total liabilities	79,893,482	23,054,798	17,562,202	229,188,247	349,698,729	(34,164,991)	315,533,738
Other information:							
Additions to tangible fixed assets	7,724,558	586,484	85,531	538,177	8,934,750	-	8,934,750
Depreciation and amortisation for the year	5,965,305	747,529	411,473	442,642	7,566,949	-	7,566,949
Inpairment losses and decreases in realisable value recognised in the statement of profit and loss	561,038	478,208	2,002,546	-	3,041,792	-	3,041,792
Reversal of impairment losses and decreases in the realisable value of inventories	(655,851)	(263,982)	(2,142,594)	(19,705)	(3,082,132)	-	(3,082,132)
Average number of personnel	640	239	451	95	1,425	-	1,425

The column “Others” relates to assets and liabilities recorded by Impresa and other sub-holding companies of the Group, whose activity consists essentially in managing investments, and so the corresponding assets include goodwill relating to the television, newspaper and digital segments in the amounts of 256,515,098 Euros, 20,724,100 Euros and 3,574,739 Euros respectively, as well as the corresponding bank loans used to acquire the investments. The assets and liabilities of AEIOU and Media Zoom at 31 December 2006 are included in the “Others” segment as they are not significant in relation to the Group.

b) Reporting by secondary segment – Geographic markets:

Operating revenues by geographic market for the years ended 31 December 2007 and 2006 are as follows:

	Portugal		Other markets		Consolidated total	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Sales - external costumers (Note 10)	39,166,120	38,330,691	14,228	34,410	39,180,348	38,365,101
Services rendered - external costumers (Note 10)	229,387,358	209,170,534	6,495,805	5,030,191	235,883,163	214,200,725
Other operating revenue - external costumers (Note 11)	3,392,508	2,672,037	-	-	3,392,508	2,672,037
Investment property income (Note 22)	1,660,122	-	-	-	1,660,122	-
Total operating revenue	273,606,108	250,173,262	6,510,033	5,064,601	280,116,141	255,237,863

At 31 December 2007 and 2006 there were no non-current assets relating to the geographic segment "Other markets". In addition, more than 99% of the Group's assets at 31 December 2007 and 2006 related to the Portugal geographic segment.

05.10 Sales and services rendered by activity

Sales and services rendered for the years ended 31 December 2007 and 2006 are as follows:

	2007	2006
Sales:		
Publishing - newspapers	13,008,048	14,960,824
Publishing - magazines	15,100,452	16,581,757
CD's - television	5,855,120	-
Other - television	86,305	-
Other - newspapers	2,088,009	3,833,087
Other - magazines	1,834,664	2,989,433
Other - digital	1,207,750	-
Total sales	39,180,348	38,365,101
Services rendered:		
Television		
Advertising	115,816,636	114,825,119
Cable channels	32,855,363	31,189,330
Multimedia	21,283,519	8,400,090
Merchandising	3,781,524	2,727,909
Other	3,158,157	4,073,054
	176,895,199	161,215,502
Newspapers		
Advertising	37,993,508	35,743,969
Magazines		
Advertising	17,253,252	16,326,060
Other	1,151,695	832,604
	18,404,947	17,158,664
Digital		
Advertising	1,502,191	-
Other	436,908	-
	1,939,099	-
Other	650,410	82,590
Total services rendered	235,883,163	214,200,725
Total sales and services rendered	275,063,511	252,565,826

05.11 Other operating revenues and expenses

Other operating revenues for the years ended 31 December 2007 and 2006 are as follows:

	31-12-2007	31-12-2006
Supplementary income and other operating income	2,287,557	1,929,405
Reversal of provisions (Note 32	904,120	81,623
Operating subsidies	159,586	,-
Gain on the sale of fixed assets	41,245	661,009
	3,392,508	2,672,037

Other operating expenses for the years ended 31 December 2007 and 2006 are as follows:

	31-12-2007	31-12-2006
Taxes	685,767	610,600
Impairment losses (Note 32)	885,107	1,176,825
Reversal of impairment losses (Note 32)	(519,231)	(365,873)
Loss on the sale/liquidation of companies	-	11,670
Other operating expenses (a)	1,430,357	923,409
	2,482,000	2,356,631

(a) This caption includes the amount of approximately 525,000 Euros relating to offers and donations by the Group media to third parties.

05.12 Results of discontinuing operations, restructuring costs and available-for-sale non-current assets

Available-for-sale assets/discontinuing operations at 31 December 2007 and 2006 are made up as follows:

	Efective percentagedo of capital held	Efective percentagedo of capital held
	31-12-2007	31-12-2006
Comfutebol (a)	25.00%	25.00%
Global S 24 (b)	-	50.00%

(a) During the year ended 31 December 2005, this company's operations relating to the publication of the "Doze" magazine were discontinued. This company currently has no employees (Note 8).

(b) Participation sold in the year ended 31 December 2007 (Note 15).

The results from discontinuing operations (or held-for-sale assets) included in the consolidated financial statements as of 31 December 2007 and 2006 were as follows:

	31-12-2007	31-12-2006
Comfutebol	25,684	2,704
Publiregiões	-	78,796
Imprejornal	-	1,104,080
	25,684	1,185,580

The assets and liabilities classified as held for sale at 31 December 2007 and 2006 are as follows:

	31-12-2007	31-12-2006
Investments:		
Global S 24 (Note 20)	-	1,091,825
Impairment losses on Global S 24 (Note 20)	-	(1,091,825)
	-	-
Comfutebol:		
Tangible fixed assets	3,190	8,167
Customers and other current assets	74,103	257,336
	77,293	265,503
Total assets classified as held for sale	77,293	265,503
Suppliers and other current liabilities	(258,428)	(393,856)
Bank loans	(85)	(1,500)
Total liabilities relating to assets classified		
as held for sale	(258,513)	(395,356)
Net assets/(liabilities) held for sale	(181,220)	(129,854)

05.13 Cost of sales and broadcasted programs

During the years ended 31 December 2007 and 2006, cost of sales and broadcasted programs are as follows:

	31-12-2007	31-12-2006
Broadcasted programs	81,518,739	76,372,633
Raw materials consumed	11,637,988	12,231,183
Cost of sales	6,998,689	5,738,842
Impairment of inventories (Note 32)	419,532	1,864,967
Reversal of impairment of inventories (Note 32)	(1,140,240)	(2,055,942)
	99,434,708	94,151,683

05.14 Payroll

Payroll costs for the years ended 31 December 2007 and 2006 are made up as follows:

	31-12-2007	31-12-2006
Wages and other employee benefits	44,691,456	43,244,476
Charges on salaries and other personnel costs	16,420,510	10,767,949
	61,111,966	54,012,425

During the years ended 31 December 2007 and 2006, the average number of employees of the companies included in consolidation was 1,437 and 1,425, respectively.

05.15 Financial income and expenses

Financial income and expenses for the years ended 31 December 2007 and 2006 are made up as follows:

	31-12-2007	31-12-2006
Losses and gains on associated companies:		
Loss on associated companies (Note 20)	(84,092)	-
Gains on associated companies (Note 20)	198,600	520,767
	114,508	520,767
Interest and other financial costs:		
Interest expenses	(13,771,794)	(11,487,681)
Foreign exchange losses	(15,622)	(16,555)
Losses arising from the valuation of derivative instruments (Note 32) (a)	-	(59,594)
Outros custos financeiros	(419,803)	(432,607)
	(14,207,219)	(11,996,437)
Other financial income:		
Interest income	753,488	349,991
Foreign exchange gains	942,116	612,012
Financials discounts obtained	43,234	51,483
Gains arising from the valuation of derivative instruments (Note 33) (a)	1,303	31,924
Gains arising from the sale of investments (b)	3,058	-
Other financial income	40,200	5,779
	1,783,399	1,051,189
Net financial costs	(12,309,312)	(10,424,481)

(a) These captions correspond to the impact of recording derivatives at their fair value.

(b) This caption includes the gain on the sale of the investment in Global S 24 (Note 6).

05.16 Differences between accounting and tax results

Impresa and its subsidiaries are subject to corporate income tax at the normal rate of 25% plus a Municipal Surcharge of 1.5% of taxable income, resulting in an aggregate tax rate of 26.5%. Additionally, because of their legal form, some Group companies are subject to the tax legislation covering holding companies ("Sociedades Gestoras de Participações Sociais"). In accordance with this legislation, the gains and losses in group companies resulting from the application of the equity method, dividends received from participated companies, amortisation of goodwill arising on the acquisition of investments and financial expenses relating to the acquisition of investments, are not considered for tax purposes.

Impresa is subject to corporate income tax under the Special Regime for the Taxation of Groups of Companies, on a consolidated basis with its subsidiaries Impresa Jornais, Soincom, Solo, Sojornal, Medipress, Publisurf, Impresa Classificados, Media Zoom and Interjornal, SIC, SIC Online, GMTS, TV PRO and Impresa.Com.

The remaining subsidiaries, not covered by this regime, are subject to income tax on an individual basis, based on their respective taxable results and the applicable tax rates.

In 2002 a company merged into Edimpresa was subject to additional corporate income tax assessments by the tax authorities in the amount of 1,621,065 Euros (including interest of 367,787 Euros). Considering the tax legislation in force at that time regarding late payment interest, the company decided to pay part of the additional assessments, the unpaid amount at 31 December 2007 being 856,765 Euros. The company has appealed against these additional assessments as its management believes that they have no legal grounds. Additionally, in 2005 that participated company received an additional tax assessment of
731,593 Euros, which also has been appealed against by the company, as management believes that it is unfounded (Note 34).

In 2005 Office Share received additional tax assessments from the tax authorities for the year 2004, in the amount of, approximately, 176,000 Euros. Office Share's management believes that the additional assessments are unfounded and so the company has appealed against them.

In 2007 and in previous years, SIC was notified by the tax authorities to pay approximately 2,930,000 Euros, as a result of corporate income tax inspections of certain transactions realised in the years from 1997 to 2004. The Company, based on the opinion of its legal advisors, appealed against these notifications, as it believes that they are unfounded, and has not recorded a provision for them. In addition, the company has bank guarantees covering these matters (Note 34).

The Group's management believes that any adjustment resulting from revisions/inspections by the Tax Administration of the Group's tax returns, including the matters referred to above, will not have a significant effect on the consolidated financial statements as of 31 December 2007.

The Group records deferred taxes resulting from temporary differences between the accounting and tax bases of its assets and liabilities. Deferred tax assets and liabilities at 31 December 2007 and 2006 are as follows:

a) Temporary differences – Changes in deferred tax assets and liabilities

31 December 2007:

	Deferred tax assets								
	Accrued expenses	Asset derecognition	Accounts receivable adjustments	Inventory adjustments	Provisions for other risks and charges	Tax losses carried forward	Impairment losses on investments	Impairment losses on investment properties	Total
Balance at 31 December 2006	-	-	-	-	-	-	-	-	-
Increases/decreases	609,358	(9,288)	(3,461)	(120,345)	(33,096)	(3,932,686)	114,230	-	(3,375,288)
Transfers	-	-	-	-	(17,146)	-	-	17,146	-
Changes in consolidation perimeter	-	-	-	7,094	82,426	35,797	-	-	125,317
Balance at 31 December 2007	609,358	(9,288)	(3,461)	(113,251)	32,184	(3,896,889)	114,230	17,146	(3,249,971)

31 December 2006:

	Deferred tax assets								
	Accrued expenses	Asset derecognition	Accounts receivable adjustments	Inventory adjustments	Provisions for other risks and charges	Tax losses carried forward	Impairment losses on investments	Impairment losses on investment properties	Total
Balance at 31 December 2005	200,064	213,878	144,410	519,929	201,933	5,320,506	-	-	6,600,720
Increases/decreases	12,428	(201,688)	(57,878)	(94,478)	(95,413)	(930,321)	-	-	(1,367,350)
Changes in rate	(7,727)	(443)	(3,147)	(15,471)	(3,873)	(96,967)	-	-	(127,628)
Balance at 31 December 2006	204,765	11,747	83,385	409,980	102,647	4,293,218	-	-	5,105,742

Deferred taxes to be recorded in accordance with IAS 12 - "Income Taxes" correspond essentially to tax losses carried forward at 31 December 2007 and adjustments and taxed provisions.

	Tax losses carried forward considered for the computation of deferred taxes		Tax losses carried forward not considered for the computation of deferred taxes		Total
	31-12-2007	Prior years	31-12-2007	Prior years	
SIC and subsidiaries	279,160		1,061,964	2,917,011	4,258,135
Subsidiárias Edimpresa	-	-	27,966	452,986	480,952
Páginas Longas	-	-	-	25,443	25,443
AEIOU	160,808	-	-	509,967	670,775
InfoPortugal	-	-	14,550	-	14,550
Impresa Turismo	84,065	-	-	-	84,065
New Media	1,061,281	-	-	69,110	1,130,391
	1,585,314	-	1,104,480	3,974,517	6,664,311
Tax rate	25,0%	25,0%			
	396,329	-			
	396,329				

Tax losses carried forward of 6,664,311 Euros at 31 December 2007, expire as follows:

	Tax losses considered for deferred taxes	Tax losses not considered for deferred taxes	Total
2008	-	1,091,672	1,091,672
2009	-	788,850	788,850
2010	-	785,772	785,772
2011	-	221,089	221,089
2012	-	1,074,759	1,074,759
2013	1,585,314	1,116,855	2,702,169
	1,585,314	5,078,997	6,664,311

The Group determined the value of the deferred taxes resulting from the transition adjustments to IFRS. Where the adjustments give rise to deferred tax assets, they were only recorded when it is probable that that there will be sufficient future taxable profit or deductible tax differences to realise them. This assessment was made based essentially on the business plans of the Group companies, which are updated and reviewed periodically.

b) Reconciliation of the tax rate

Income tax for the years ended 31 December 2007 and 2006 is as follows:

	31-12-2007	31-12-2006
Profit before tax	26,443,533	22,425,067
Nominal income tax rate	26.5%	26.5%
	7,007,536	5,942,643
Tax losses from previous years	-	(2,498,347)
Tax losses used	(219,624)	(923,837)
Tax losses carried forward	237,613	342,993
Permanent differences (i)	352,959	319,701
Income tax adjustments (ii)	158,237	237,819
Change of tax rate	-	127,628
Corrections to prior years income tax	75,654	115,147
Income tax	7,612,375	3,663,747
Effective income tax rate	28.79%	16.34%
Current income tax (Notes 25 and 31)	4,237,087	2,168,769
Deferred income tax for the yea	3,375,288	1,494,978
	7,612,375	3,663,747

(i) At 31 December 2007 and 2006 this amount was made up as follows:

	31-12-2007	31-12-2006
Effect of the equity method of accounting (Note 15)	(114,508)	(520,767)
Penalties	210,044	476,811
Non deductible amortisation and depreciation	120,207	165,444
Tax capital gains	1,991,433	(131,888)
Accounting capital losses	-	94,487
Confidential and/or undocumented expenses	18,591	63,244
Accounting capital gains	(2,386,811)	(440,499)
Other, net	1,492,964	1,499,587
	1,331,920	1,206,419
Nominal income tax rate	26.5%	26.5%
	352,959	319,701

(ii) This amount relates to autonomous taxation of certain expenses.

05.17 Earnings per share

Basic and diluted earnings per share for the years ended 31 December 2007 and 2006 were computed considering the following information:

	31-12-2007	31-12-2006
Number of shares		
Weighted average number of shares for purposes of computing basic earnings per share	168,000,000	84,000,000
Effect of potential shares resulting from convertible bonds	-	-
Weighted average number of shares for purposes of computing diluted earnings per share	168,000,000	84,000,000
Earnings		
Earnings for purposes of computing basic earnings per share (net profit for the year)	18,088,845	16,463,558
Effect of potential shares: Interest on convertible bonds (net of tax)	-	-
Earnings for purposes of computing basic earnings per share	18,088,845	16,463,558

In 2007 the nominal value of the Company's shares was changed, each of the 84,000,000 shares of one Euro being divided into two shares of fifty cents each (Note 27).

Eanings per share: continuing operations

	31-12-2007	31-12-2006
Earnings		
Earnings for purposes of computing basic earnings per share (net profit for the year)	18,088,845	16,463,558
Adjustments for:		
Earnings after tax over discontinuing operations (Note 12)	(25,684)	(2,704)
Earnings on sales of discontinuing operations	-	(1,182,876)
	(25,684)	(1,185,580)
Earnings for purposes of computing basic earnings per share excluding discontinuing operations	18,114,529	17,649,138
Effect of potential shares:		
Interest on convertible bonds (net of tax)	-	-
Earnings for purposes of computing diluted earnings per share	18,114,529	17,649,138
Earnings per share:		
Basic	0,1077	0,1960
Diluted	0,1078	0,2101

05.18 Intangible assets

a) *Goodwill*

During the years ended 31 December 2007 and 2006, the movements occurred in goodwill were as follows:

31 December 2007:

Balance at 31 December 2006	288,846,453
Acquisitions (i)	5,534,271
Impairment losses (ii)	(470,540)
Balance at 31 December 2007	293,910,184

31 December 2006:

Balance at 31 December 2005	287,583,101
Acquisitions (iii)	1,263,352
Balance at 31 December 2006	288,846,453

(i) Goodwill generated on the following acquisitions (Note 8):

Participada	Goodwill	Percentagem de participação adquirida
Infoportugal	2,065,500	51%
Som Livre	1,746,458	100%
Dialectus	602,938	90%
NJPT	402,948	24.5%
Adtech	375,340	36.33%
New Media	234,111	78.5%
Dirnet	106,976	51%
	5,534,271	

(ii) As a result of impairment tests, an impairment loss of the full amount of goodwill of Adtech was recognised in 2007.

(iii) Goodwill arising on the acquisition of 50.1% and 36.67% of the capital of AEIOU and Adtech, respectively (Note 8).

Goodwill at 31 December 2007 and 2006 is made up as follows:

Empresa	31-12-2007	31-12-2006
SIC		
Recorded by Solo	92,986,242	92,986,242
Recorded by Soincom	86,290,401	86,290,401
Recorded by Media Zoom (Solo)	40,771,737	40,771,737
Recorded by Impresa (Soincom)	34,722,846	34,722,846
Recorded by Gesco	1,743,872	1,743,872
	256,515,098	256,515,098
Impresa Jornais (recorded by Impresa)	20,130,334	20,130,334
Edimpresa	10,169,561	10,169,561
InfoPortugal (Note 8) (recorded by Impresa Turismo)	2,065,500	-
Som Livre (Note 8) (recorded by SIC)	1,746,458	-
AEIOU (Note 8) (recorded by Media Zoom)	1,168,152	1,168,152
Dialectus (Note 8) (recorded by SIC)	602,938	-
Mediger (recorded by Impresa Jornais)	593,766	593,766
NJPT (Note 8) (recorded by Edimpresa)		-
New Media (Note 8) (recorded by Media Zoom)	234,111	-
SIC Notícias (recorded by SIC)	174,342	174,342
Dirnet (Note 8) (recorded by Media Zoom)	106,976	-
Adtech (Note 8) (recorded by SIC)	-	95,200
	293,910,184	288,846,453

In compliance with the provisions of IFRS 3, the Group makes impairment tests of goodwill at 31 December of each year and whenever there are indications of impairment. For purposes of impairment tests, goodwill has been attributed to several identified cash generating units, considering, as a cash generating unit, the smallest identifiable group of cash generating assets that is largely independent of the cash flow of other assets or group of assets. The cash generating units identified for this purpose, to which goodwill was attributed, were the following:

- Grupo SIC (including SIC, GMTS, SIC Indoor, SIC Filmes and SIC Online);
- Sojornal;
- Edimpresa;
- AEIOU;
- Som Livre;
- Mediger (merged with Medipress);
- SIC Notícias;
- New Media;
- Adtech;
- InfoPortugal;
- Dialectus;
- Dirnet;
- NJPT.

At 31 December 2007 the Group requested specialised independent entities to test impairment of goodwill of the SIC Group, Edimpresa and AEIOU. The Group made internal tests of the impairment of the remaining goodwill.

The impairment tests were made based on business plans/financial projections of the cash generating units, prepared by their managements, except for Infoportugal, Dialectus, Dirnet and NJPT which were acquired at the end of the year, in which case the tests were made based on projections prepared for purposes of their acquisition. In these cases, in 2008 the Group will determine the fair value of the assets and liabilities so as to determine the effective amount of goodwill resulting from the acquisition.

The discounted cash flow method was used to test impairment of goodwill, cash flow projections having been prepared for five years and a perpetuity considered for the remaining period. The growth rate of the perpetuity was estimated based on an analysis of the market potential of each cash generating unit, this varying between 1% and 3.25%. The discount rates used reflect the level of indebtedness and the cost of third party capital of each cash generating unit, as well as the level of risk and profitability expected by the shareholder, discount rates ranging from 7.7% to 11.3% having been used.

The financial projections were prepared based on consistent market assumptions and the operations of the cash generating units, which the Board of Directors believes are reasonable and prudent and reflect their vision and that of the consultants involved in their preparation as to the behaviour of the principal market variables and performance of the group companies, based on their defined strategic plans. For this purpose, market data was obtained from external entities, which were compared with historical statistical data and past experience of the Group, complemented by the estimated effect of business strategies adopted for each cash generating unit. The main variables considered were the following:

- Evolution of advertising investment in television, written press and Internet publicity;

- SIC's audience share;

- Programming costs (SIC);

- Sale of publications;

- Magazine advertising revenue;

- Magazine advertising costs;

- Paper costs;

- Internet advertising revenue;

- Evolution of the discograph market.

The main changes considered in the impairment tests in relation to past experience were:

- Increase in revenues from adjacent television businesses (online, production, etc.), greater than the increase in market share of this sector, which was estimated to be stable.

- Increase in the relative weight of advertising revenues of Edimpresa in relation to the other types of income resulting from the decision to reduce the alternative products operations as from 2007, which also results in a proportional decrease of the related costs.

- Non repetition, in the projection period, of the restructuring costs incurred in 2007.

As regards to the cash generating units included in the digital segment or acquired in 2007, the projections take into consideration the market potential, and the potential to generate income and synergies resulting from their inclusion in the Impresa Group.

As specifically regards goodwill of Sojornal, Mediger and SIC Notícias, the impairment tests were carried out based essentially on a review of the annual results generated in each of these cash generating units which, because of their significance, provide reasonable expectation that the goodwill is recoverable in a period ranging between approximately one and three years.

As a result of the impairment tests carried out based on the methodologies and assumptions mentioned above, the Group has concluded that there are no impairment losses to be recognised in 2007, other than that relating to Adtech which, based on its past performance and considering the projections and uncertainties relating to it, the Group concluded that the corresponding goodwill is impaired and so it was written off in full (Note 32).

Impairment losses:

Goodwill of Adtech at 31 December 2006 (Note 8)	95,200
Goodwill of Adtech generated in the year ended 31 December 2007 (Note 8	375,340
Impairment loss (Note 32)	470,540

b) Other intangible assets

During the years ended 31 December 2007 and 2006, the movements in other intangible assets and corresponding accumulated amortisation and impairment losses were as follows:

31 December 2007:

	Industrial property and other rights	Software	Fixed assets in progress	Total
Gross:				
Balance at 31 December 2006	1,973,108	7,882,227	-	9,855,335
Changes in consolidation perimeter	408,246	-	82,056	490,302
Acquisitions	146,641	-	1,929,138	2,075,779
Disposals and write-offs	(307,133)	(4,350,704)	-	(4,657,837)
Transfers	36,193	-	(36,193)	-
Balance at 31 December 2007	2,257,055	3,531,523	1,975,001	7,763,579
Accumulated amortisation and impairment losses:				
Balance at 31 December 2006	(1,282,957)	(7,538,236)	-	(8,821,193)
Changes in consolidation perimeter	(398,452)	-	-	(398,452)
Increases	(236,434)	(207,710)	-	(444,144)
Disposals and write-offs	305,731	4,350,704	-	4,656,435
Balance at 31 December 2007	(1,612,112)	(3,395,242)	-	(5,007,354)
Net book value at 31 December 2007	644,943	136,281	1,975,001	2,756,225

The increase in the caption "Fixed assets in progress" relates essentially to costs incurred in developing the sites of the publications of Edimpresa and Sojornal, licensing the future financial system of SIC and investment made by Media Zoom in the Digital Guest Services system for the hotel industry.

31 Dezembro 2006:

	Industrial property and other rights	Software	Total
Gross:			
Balance at 31 December 2005	973,036	7,665,699	8,638,735
Changes in consolidation perimeter	922,224	100	922,324
Acquisitions	77,848	216,428	294,276
Balance at 31 December 2006	1,973,108	7,882,227	9,855,335
Accumulated amortisation and impairment losses:			
Balance at 31 December 2005	(852,764)	(7,230,100)	(8,082,864)
Changes in consolidation perimeter	(339,103)	(100)	(339,203)
Increases	(91,090)	(308,036)	(399,126)
Balance at 31 December 2006	(1,282,957)	(7,538,236)	(8,821,193)
Net book value at 31 December 2006	690,151	343,991	1,034,142

05.19 Tangible fixed assets

The movements in tangible fixed assets and corresponding accumulated depreciation and impairment losses during the years ended 31 December 2007 and 2006 were as follows:

31 December 2007:

	Land and natural resources	Buildings and othe construc-tions	Machinery and equipment	Transport equipment	Tools and utensils	Administra-tive equipment	Other tangible assets	Fixed assets in progress	Total
Gross:									
Balance at 31 December 2006	837,981	9,356,692	71,782,513	890,467	26,807	16,037,900	566,014	4,720,810	104,219,184
Changes in consolidation perimeter	-	414,679	812,902	40,814	-	435,136	15,490	-	1,719,021
Acquisitions	-	292,609	6,455,200	-	1,228	2,091,007	974	1,312,544	10,153,562
Disposals and write-offs	-	-	(212,897)	(390,745)	-	(285,542)	-	52,330	(836,854)
Transfers	-	-	3,554,362	-	-	311,656	(1,565)	(3,864,453)	-
Balance at 31 December 2007	837,981	10,063,980	82,392,080	540,536	28,035	18,590,157	580,913	2,221,231	115,254,913
Accumulated depreciation and impairment losses:									
Balance at 31 December 2006	-	(463,005)	(58,549,641)	(795,842)	(26,349)	(13,604,284)	(555,155)	-	(73,994,276)
Changes in consolidation perimeter	-	(63,266)	(446,771)	(26,565)	-	(311,718)	(5,704)	-	(854,024)
Increases	-	(189,231)	(5,524,879)	(59,702)	(433)	(1,249,103)	(2,087)	-	(7,025,435)
Disposals and write-offs	-	-	122,440	390,745	-	277,624	-	-	790,809
Adjustments and transfers	-	-	-	-	-	(322)	322	-	-
Balance at 31 December 2007	-	(715,502)	(64,398,851)	(491,364)	(26,782)	(14,887,803)	(562,624)	-	(81,082,926)
Net book value at 31 Decem-ber 2007	837,981	9,348,478	17,993,229	49,172	1,253	3,702,354	18,289	2,221,231	34,171,987

31 December 2006:

	Land and natural resources	Buildings and other construc-tions	Machinery and equipment	Transport equipment	Tools and utensils	Administra-tive equipment	Other tangible assets	Fixed assets in progress	Total
Gross:									
Balance at 31 December 2005	1,055,557	10,370,671	84,708,664	1,054,930	97,998	15,347,472	645,613	2,543,262	115,824,167
Changes in consolidation perimeter	-	(229,681)	(17,360,566)	(132,233)	(71,191)	(298,269)	(79,599)	-	(18,171,539)
Acquisitions	-	182,314	4,157,147	-	-	622,593		3,972,696	8,934,750
Disposals and write-offs	(217,576)	(966,612)	(1,041,794)	(32,230)	-	(29,515)	-	(80,467)	(2,368,194)
Transfers	-	-	1,319,062	-	-	395,619	-	(1,714,681)	-
Balance at 31 December 2006	837,981	9,356,692	71,782,513	890,467	26,807	16,037,900	566,014	4,720,810	104,219,184
Accumulated depreciation and impairment losses:									
Balance at 31 December 2005	-	(563,516)	(67,012,331)	(775,384)	(90,800)	(12,964,770)	(592,120)	-	(81,998,921)
Changes in consolidation perimete	-	95,993	13,408,380	132,214	64,769	273,279	40,345	-	14,014,980
Increases	-	(227,021)	(5,815,628)	(180,681)	(318)	(940,795)	(3,380)	-	(7,167,823)
Disposals and write-off	-	231,539	869,938	28,009	-	28,002	-	-	1,157,488
Balance at 31 December 200	-	(463,005)	(58,549,641)	(795,842)	(26,349)	(13,604,284)	(555,155)	-	(73,994,276)
Net book value at 31 December 2006	837,981	8,893,687	13,232,872	94,625	458	2,433,616	10,859	4,720,810	30,224,908

The increases in the captions "Machinery and equipment" and "Administrative equipment" correspond essentially to the acquisition of equipment for SIC's "digitalisation project", renewal of the studios of SIC and SIC Noticias and acquisition of technical equipment by GMTS.

The caption "Fixed assets in progress" corresponds essentially to the acquisition of equipment for SIC's "Oracle project" and acquisition of technical equipment by GMTS.

At 31 December 2007 and 2006 the Group had the following assets under finance lease:

	31-12-2007			31-12-2006		
	Gross value	Accumulated depreciation and impairment losses	Net value	Gross value	Accumulated depreciation and impairment losses	Net value
Land	837,981	-	837,981	837,981	-	837,981
Buildings and other constructions	6,356,402	(375,204)	5,981,198	6,356,402	(242,779)	6,113,623
Machinery and equipment	9,513,023	(2,597,182)	6,915,841	8,908,167	(2,536,632)	6,371,535
Transport equipment	169,226	(149,326)	19,900	337,990	(287,797)	50,193
	16,876,632	(3,121,712)	13,754,920	16,440,540	(3,067,208)	13,373,332

As explained in Note 2.6, the Group records these assets in accordance with the financial method.

Apart from the assets under finance lease, there are no restrictions on the ownership of tangible fixed assets.

05.20 Financial investments

During the years ended 31 December 2007 and 2006, the movements occurred in financial investments were as follows:

31 December 2007:

	Investments in associated companies	Investment in other companies	Total
Balance at 31 December 2006	4,877,660	18,717	4,896,377
Incorporation of companies (a)	15,000	-	15,000
Application of the equity method	123,167	-	123,167
Transfers (b)	(1,000,000)	-	(1,000,000)
Disposals (c)	(1,091,825)	-	(1,091,825)
Reversal of impairment losses (Note 32)	1,152,258	-	1,152,258
Balance at 31 December 200	4,076,260	18,717	4,094,977

(a) This caption relates to the amount of SIC's investment in the incorporation of Terra do Nunca (Note 6).

(b) This caption relates to the advance paid in 2006 in relation to the acquisition of Som Livre which was completed in 2007 (Notes 4 and 8).

(c) This caption was related to a loan granted to Global S24, which was sold in 2007 (Note 15).

31 December 2006:

	Investments in associated companies	Investment in other companies	Total
Balance at 31 December 2005	3,356,893	331,850	3,688,743
Application of the equity method (Note 15)	520,767	-	520,767
Advances on account for financial investments (a)	1,000,000	-	1,000,000
Disposals (b)	-	(321,863)	(321,863)
Reversal of impairment losses	-	8,730	8,730
Balance at 31 December 2006	4,877,660	18,717	4,896,377

(a) Advance paid in relation to the acquisition of a participation in Som Livre.

(b) Sale of participations in Morena Films and Net TV.

Investments in associated companies at 31 December 2007 and 2006 are made up as follows:

31 December 2007:

Company	Head office	31-12-2007				Percentage effectively held by the Group	Value of the investment	Impairment losses (Note 32)	Net value of the assets	Liabilities (Note 32)
		Total assets	Total revenues	Equity	Net result					
Vasp	Queluz	38,917,247	227,702,218	9,028,579	435,656	33,33	3,009,526	-	3,009,526	-
Lusa	Lisbon	19,819,484	18,586,326	7,375,966	764,309	22,35	1,825,532	(758,798)	1,066,734	-
Terra do Nunca	Lisbon	16,589,402	5,661,032	(230,310)	(280,310)	30,00	-	(69,093)	-	(69,093)
							4,835,058	(827,891)	4,076,260	(69,093)

31 December 2006:

Company	Head office	31-12-2006				Percentage effectively held by the Group	Value of the investment	Impairment losses (Note 32)	Net amount
		Total assets	Total revenues	Equity	Net result				
Vasp	Massamá	37,880,090	239,013,631	8,657,219	1,234,652	33,33	2,885,502	-	2,885,502
Global S 24	Porto	n,d	n,d	n,d	n,d	50,00	-	-	-
Lusa	Lisbon	23,786,773	18,679,134	7,311,339	1,057,677	22,35	1,811,389	(819,231)	992,158
							4,696,891	(819,231)	3,877,660
Advances related to the acquisition of financial investments:									
Som Livre	Oeiras	n.d.	n.d.	n.d.	n.d.		1.000.000	-	1.000.000
							5.696.891	(819.231)	4.877.660

Granted:		31-12-2006			Reversal of impairment losses	Net amount
Company	Head office	Percentage effectively held by the Group	Amount	Impairment losses		
Global S 24	Porto	50,00	1,091,825	(1,091,825)	-	-

The movements in "Financial investments" resulting from the application of the equity method at 31 December 2007 and 2006 were as follows:

Company	31-12-2007				31-12-2006		
	Gains on associated companies (Note 15)	Losses on associated companies (Note 15)	Increases/ decreases in impairment losses	Financial investments	Gains on associated companies	Reversal of impairment losses	Financial investments
Vasp	123,723	-	-	123,723	419,791	-	419,791
Lusa	74,877	-	(60,433)	14,444	120,681	(19,705)	100,976
Terra do Nunca (Note 32)	-	(84,092)	69,093	(15,000)	-	-	-
	198,600	(84,092)	8,660	123,167	540,472	(19,705)	520,767

Investments in other companies at 31 December 2007 and 2006 are made up as follows:

Company	31-12-2007		
	Effective participation of the Group	Value of the participation	Net book value
NP	8,93	13,719	13,719
PTDP	10,00	4,998	4,998
		18,717	18,717

05.21 Available-for-sale assets

In the year ended 31 December 2007, SIC subscribed participating units in Fundo de Investimento Cinematográfico e Audiovisual ("FICA" or "Fund"), incorporated under the terms of Ministerial Order 277/2997 of 14 March, with the objective of investing in cinematographic, audio-visual and multi-platform works, aimed at exploiting them on a broad basis so as to increase and improve supply and increase the potential value of such productions with the ultimate purpose of stimulating the development of cinematographic and audio-visual art.

FICA's initial capital amounts to 83,000,000 Euros, fully subscribed in cash to be paid on a phased basis, made up of 83,000 participating units with an initial value of 1,000 Euros each at the time of subscription, the founders being: the Portuguese State (represented by Instituto do Cinema e Audiovisual – ICA, I.P.), PT Multimédia, Serviços de Telecomunicações e Multimédia, SGPS, S.A., RTP – Rádio e Televisão de Portugal, S.A., SIC and TVI – Televisão Independente, S.A..

The Fund is incorporated for a period of seven years as from the time it starts operating, the first five years being an investment phase and the last two to a disinvestment phase.

The Fund consists of an automous fund, having no responsibility, under any circumstances, for the debts of its participants or of any other entity or agent, the participants having no responsibility for any debts contracted by the Fund, other than the amount of their participating units.

In 2007 SIC subscribed participating units totalling 10,000,000 Euros, representing 12.05% of FICA, payable as follows:

	Nominal value	Fair value
2007	1,000,000	993,937
2008	2,000,000	1,916,574
2009	2,000,000	1,825,289
2010	2,000,000	1,738,351
2011	2,000,000	1,655,554
2012	1,000,000	797,969
	10,000,000	8,927,674

At 31 December 2007, the liability for the participating units subscribed for has been determined in accordance with the amortised cost method, considering the rate of the Company's indebtedness, and was recorded as follows:

	Nominal value	Fair value
Other non-current liabilities	7,000,000	6,017,163
Other current liabilities (Note 31)	2,000,000	1,916,574
	9,000,000	7,933,737

05.22 Investment properties

Investment properties at 31 December 2007 and 2006 are made up as follows:

Investment properties	31-12-2007	31-12-2006
"FNAC" land	6,221,000	6,216,052
"Bela Vista" plots	-	4,838,798
Impairment loss (Note 32)	(64,746)	(64,746)
	6,156,254	10,990,104

The movements occurred in the caption "Investment properties" during the years ended 31 December 2007 and 2006 are as follows:

31 de December 2007:

Balance at 31 December 2006	10,990,104
Adjustments	6,028
Sales (a)	(4,839,878)
Balance at 31 December 2007	6,156,254

31 de December 2006:

Balance at 31 December 2005	11,042,577
Adjustments	(52,473)
Balance at 31 December 2006	10,990,104

(a) In 2007 the Group sold the plots of the "Bela Vista" land for 6,500,000, having realised a capital gain of 1,660,122 Euros.

The investment property "FNAC" land is held by the Group for capital appreciation purposes and is not expected to be sold in the short term. The estimated realisable value of the "FNAC" land at 31 December 2007 was not less than its book value. At that date the procedures necessary to sign a definitive purchase deed were in progress.

05.23 Broadcasting rights, tv programs and inventories

Program broadcasting rights at 31 December 2007 and 2006 are made up as follows:

	31-12-2007		31-12-2006	
	Current	Non-currente	Currente	Non-currente
Broadcasting rights:				
Gross:				
Broadcasting rights	13,270,767	30,874,565	12,942,386	23,124,851
Work in progress	58,535	-	60,449	-
Advances to program suppliers	3,458,270	4,858,666	4,874,541	7,555,009
	16,787,572	35,733,231	17,877,376	30,679,860

The caption "Advances to program suppliers" at 31 December 2007 includes advances made by SIC to program suppliers under contracts signed with these entities, relating to programs and series not yet available for broadcasting.

Inventories at 31 December 2007 and 2006 are made up as follows:

	31-12-2007		31-12-2006	
	Currente	Non-currente	Currente	Non-currente
Inventories:				
Gross:				
Raw, subsidiary and consumable material	2,150,934	537,734	2,452,863	613,217
Goods	456,803	-	78,322	78,322
Finished and intermediate goods	541,225	541,225	549,142	1,964,902
Work in progress	65,385	-	46,129	44,459
	3,214,347	1,078,959	3,126,456	2,700,900
Realisable value adjustments:				
Accumulated adjustments to net realisable value	-	(1,415,760)	-	(1,606,735)
Changes in the consolidation perimeter (Note 32)	(228,953)	-	-	-
Adjustments to net realisable value recorded in the year (Note 32)	(278,913)	(140,619)	-	(1,864,967)
Utilisation (Note 32)	175,443	-	-	-
Transfers	(707,880)	707,880	-	-
Reversal of adjustments to net realisable value recorded in the year (Note 32)	596,874	543,366	-	2,055,942
	(443,429)	(305,133)	-	(1,415,760)
Net realisable value	2,770,918	773,826	3,126,456	1,285,140

The reversal of the adjustments to net realisable value of inventories results from the release of inventories due to their sale or write off, that had been adjusted for impairment loss.

At 31 December 2007 and 2006 the Group did not have any inventories pledged in guarantee of liabilities.

05.24 Customers and accounts receivable

As of 31 December 2007 and 2006, this caption was made up as follows:

	31-12-2007			31-12-2006		
	Gross	Accumulated impairment losses (Note 32	Net	Gross	Accumulated impairment losses (Note 32	Net
Customers	50,854,240	(6,794,855)	44,059,385	48,406,030	(6,272,007)	42,134,023
Invoices to be issued:						
SMS's and SVA	2,657,534	-	2,657,534	1,272,080	-	1,272,080
Cable television subscriptions	269,365	-	269,365	381,427	-	381,427
Advertising	450,386	-	450,386	721,987	-	721,987
Other amounts to be invoiced	713,058	-	713,058	558,961	-	558,961
Discounts receivable						
Rappel obtained	812,794	-	812,794	682,014	-	682,014
	55,757,377	(6,794,855)	48,962,522	52,022,499	(6,272,007)	45,750,492

05.25 Other non-current and current assets

At 31 December 2007 and 2006, this caption was made up as follows:

	31-12-2007	31-12-2006
Other non current assets:		
Mirandela (a)	3,058,345	3,828,278
Santander Novimovest (b)	910,770	910,770
	3,969,115	4,739,048
Other current assets:		
Advances to suppliers	409,487	177,393
State and other public entities:		
Value Added Tax - amounts to be deducted	1,419,645	571,679
Corporate income tax recoverable (c)	1,875,766	812,427
Other	30,295	-
Other debtors:		
Terra do Nunca (d)	1,426,166	-
Mirandela (a)	359,337	-
Advances to personnel	263,816	296,896
Consultants	150,254	172,285
Other	746,933	682,715
Prepayments:		
Author's copyrights (e)	1,117,675	-
Licences	568,077	699,095
Maintenance	561,278	398,072
Rents	122,311	71,203
Insurance	79,557	59,326
Other	157,666	522,188
	9,288,263	4,463,279
	13,257,378	9,202,327

(a) Present value of the medium and long term account receivable resulting from sale of the investment in Imprejornal.

(b) Amount receivable from sale of the SIC building in 2004 and costs incurred by SIC on behalf of that entity.
(c) The caption "Corporate Income tax recoverable" is made up as follows:

Payments on account	1,607,530
Withholding taxes	660,026
Income tax for the year (Note 16.b))	(391,790)
	1,875,766

(d) Advance paid by SIC to acquire contents produced by Terra do Nunca, to be received in the short term.

(e) Amount paid by Som Livre related to rights over phonogram and videogram musicals to be commercialised in the future.

05.26 Cash and cash equivalents

The caption "Cash and cash equivalents" included in the cash flow statements as of 31 December 2007 and 2006 and its reconciliation to the amount of cash and cash equivalents reflected in the balance sheets as of those dates are as follows:

	31-12-2007	31-12-2006
Cash	167,267	126,408
Bank deposits	32,074,287	9,500,097
Short term applications	-	10,631,712
	32,241,554	20,258,217
Bank overdrafts (Note 29)	(3,328,379)	(4,917,753)
	28,913,175	15,340,464

The caption "Cash and cash equivalents" includes cash, demand bank deposits, treasury applications and term deposits that mature in less than three months with insignificant risk of change in value.

05.27 Equity attributable to the shareholders of the parent company

Share Capital: At 31 December 2007 and 2006, Impresa's fully subscribed and paid up share capital amounted to 84,000,000 Euros. In 2007 the nominal value of the Company's shares was changed, each of the 84,000,000 shares of one Euro being divided into two shares of fifty cents each, which are held as follows:

	31-12-2007		31-12-2006	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora de Participações Sociais, S.A. ("Impreger")	50.31%	42,257,294	50.31%	42,257,294
BESTINVER GESTION, S.A.	7.17%	6,022,800	-	-
BPI Group	5.10%	4,287,420	7.99%	6,710,438
Other	37.42%	31,432,486	41.70%	35,032,268
	100.00%	84,000,000	100.00%	84,000,000

Share premium: This caption results from premiums included in the share capital issuances made up in previous years. In accordance with current to legislation, utilisation of this reserve is subject to the same rules as the legal reserve; as such, this amount can not be available for distribution to the shareholders but may be used to increased capital or absorb losses, once all other reserves and retained earnings have been exhausted.

Legal reserve: Portuguese law provides that at least 5% of annual profit must be appropriated to a legal reserve until the reserve equals the minimum requirement of 20% of share capital. The reserve is not available for distribution to the shareholders but may be used to absorb losses, once all other reserves and retained earnings have been exhausted, or to increase capital.

05.28 Equity attributable to minority interest

The movements occurred in this caption during the years ended 31 December 2007 and 2006 were as follows:

31 de December 2007:

Balance at 31 December 2006	3,176,807
Net profit attributable to minority interest	716,629
Dividends distributed by SIC Notícias	(1,244,040)
Supplementary capital contributions to AEIOU	87,320
Changes in the consolidation perimeter:	
Acquisition of Adtech	357,051
Acquisition of InfoPortugal	220,717
Acquisition of NewMedi	210,587
Acquisition of Dirnet	7,947
Acquisition of NJPT	6,801
Acquisition of Dialectus	(11,438)
Other	(724)
Balance at 31 December 2007	3,527,657

31 de December 2006:

Balance at 31 December 2005	3,461,196
Net profit attributable to minority interest	1,112,182
Changes in the consolidation perimeter:	
Acquisition of AEIOU	84,075
Acquisition of Adtech	25,564
Incorporation of Pāginas Longas	20,000
Sale of Publiregiões	87,219
Dividend distributed by SIC Notícias	(1,641,167)
Other	27,738
Balance at 31 December 2006	3,176,807

At 31 December 2007 and 2006, equity attributable to minority interest relates to the following Group companies:

	31-12-2007	31-12-2006
Subsidiaries of SIC	3,073,901	2,920,675
Other	453,756	256,132
	3,527,657	3,176,807

Minority interest reflected on the consolidated statement of profit and loss for the years ended 31 December 2007 and 2006 relates to the following Group companies:

	31-12-2007	31-12-2006
Subsidiaries of SIC	1,051,652	1,158,161
Other	(335,023)	(45,979)
	716,629	1,112,182

05.29 Bank loans

Bank loans at 31 December 2007 and 2006 are as follows:

Company	Lending entities	31 December 2007				31 December 2006			
		Book value		Nominal value		Book value		Nominal value	
		Short term	Medium and long term	Short term	Medium and long term	Short term	Medium and long term	Short term	Medium and long term
Media Zoom	Banco BPI, S.A. (a)	3,782,117	135,210,625	3,803,279	135,967,212	2,806,710	138,988,810	2,852,460	139,770,491
Impresa	Caixa Geral de Depósitos, S.A. (b)	4,000,000	19,000,000	4,000,000	19,000,000	3,000,000	23,000,000	3,000,000	23,000,000
SIC	Banco Espírito Santo de Investimento, S.A. (c)	-	14,691,573	-	15,000,000	-	14,780,984	-	15,000,000
SIC	Caixa Geral de Depósitos, S.A.	-	-	-	-	-	9,952,500	-	10,000,000
Impresa Jornais	Banco Comercial Português, S.A. (d)	2,448,243	4,896,487	2,500,000	5,000,000	2,471,769	7,344,727	2,500,000	7,500,000
Sojornal	Caixa Geral de Depósitos, S.A.	-	-	-	-	1,000,000	5,000,000	1,000,000	5,000,000
Impresa Jornais	Banco Comercial Português, S.A. (e)	-	5,000,000	-	5,000,000	-	5,000,000	-	5,000,000
Edimpresa	Banco Espírito Santo e Banco Espírito Santo de Investimento, S.A. (f)	1,185,146	2,370,293	1,225,000	2,450,000	1,138,599	3,562,258	1,225,000	3,675,000
Impresa	Caixa Banco de Investimento, S.A. (g)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	1,000,000	2,000,000
Office Share	Banco Comercial Português, S.A. (h)	65,000	130,000	65,000	130,000	65,000	195,000	65,000	195,000
SIC	Banco Comercial Português, S.A.	-	-	-	-	65,932	329,657	65,932	329,657
	Current accounts (i)	16,228,228	-	16,228,228	-	2,486,400	-	2,486,400	-
	Bank overdrafts (Note 26) (j)	3,328,379	-	3,328,379	-	4,917,753	-	4,917,753	-
		32,037,113	182,298,978	32,149,886	183,547,212	18,952,163	210,153,936	19,112,545	211,470,148

The Group has assumed several covenants relating to these loans, which are being complied with and the Board of Directors considers will continue to be complied with.

(a) Loan contracted by Media Zoom from Banco BPI, SA to finance the acquisition of all the share capital of Solo and a 30.65% participation in SIC. At 31 December 2007 this loan bore interest payable half yearly at the Euribor six month rate plus a spread of 1.5%, the contract establishing a floor of 2% and a cap of 5% (Note 39). The loan is repayable in 38 successive half year instalments, beginning on 30 June 2006. The loan is repayable as follows:

2008	3,803,279
2009	3,803,279
2010	4,754,098
2011	4,754,098
2012	4,754,098
2013	9,508,198
2014 and subsequent years	108,393,441
	135,967,212
	139,770,491

As guarantee of the full repayment of this loan, the Group subscribed a blank promissory note, and Media Zoom and Solo have pledged shares representing 49% of SIC's share capital (Note 34).

Media Zoom and Impresa have assumed several covenants with respect to this loan, relating essentially to the acquisition and sale of assets and with distribution of dividends.

The above mentioned cap and floor were not separated from the loan contract because, at the loan contracting date, they did not fulfil the conditions established in IAS 39 for their separation, that is, on the date of contracting the loan, the floor was below the market interest rate and the cap was above the market interest rate.

(b) In November 1999 the Group signed a loan contract, initially of 54,867,769 Euros, with Caixa Geral de Depósitos, S.A.. The contract had certain covenants which were suspended in 2001 by agreement with Caixa Geral de Depósitos, S.A., and which were reformulated in 2005 upon signature of an addendum to the contract.

In the second half of 2005, the Group restructured the debt, through an addendum to the initial contract with Caixa Geral de Depósitos, S.A., resulting the following repayment schedule:

2008	4,000,000
2009	4,000,000
2010	5,000,000
2011	5,000,000
2012	5,000,000
	19,000,000
	23,000,000

The loan bears interest payable half yearly at the Euribor rate six month rate plus a spread of 1.25%.

At 31 December 2007 Soincom had shares corresponding to 51% of SIC's share capital and Impresa had shares representing 100% of Soincom's share capital pledged in guarantee of compliance with the terms of the loan (Note 34).

(c) Issuance of commercial paper by SIC, subscribed on 24 October 2007, in the amount of 1 5,000,000 Euros, repayable on 24 April 2008, automatically renewable. At 31 December 2007 this commercial paper issue bore interest at the rate of 5.059%. The commercial paper was issued under a six year commercial paper program ending on 24 October 2011.

(d) Bank loan of 10,000,000 Euros obtained by Impresa Jornais on 10 March 2005 from Banco Comercial Português, SA. The loan bears interest payable half yearly at the Euribor six month rate plus a spread of 1.5% and is repayable as follows:

2008	**2,500,000**
2009	2,500,000
2010	2,500,000
	5,000,000
	7,500,000

At 31 December 2007 Impresa Jornais had shares representing 51% of Sojornal's share capital pledged in guarantee of full compliance with the terms of the loan (Note 34).

(e) Bonds totalling 5,000,000 Euros, issued by Impresa Jornais on 17 June 2005 and underwritten by Banco Comercial Português, S.A.. The bonds bear interest payable half yearly at the Euribor six month rate plus a spread of 0.875% and are repayable on 21 June 2013.

(f) Loan obtained by Edimpresa from Banco Espírito Santo and Banco Espírito Santo de Investimento, S.A., to acquire a participation. In the first half of 2005 Edimpresa restructured the loan through an addendum to the initial contract with Banco Espírito Santo and Banco Espírito Santo de Investimento, S.A., the instalments becoming payable quarterly in accordance with the following repayment Schedule:

2008	**1,225,000**
2009	1,225,000
2010	1,225,000
	2,450,000
	3,675,000

At 31 December 2007 this loan bears interest payable quarterly at the three month Euribor rate plus a spread of 1.375%.

At 31 December 2007 Impresa had quotas representing of 25.5% of Edimpresa's capital pledged as guarantee of full compliance with the terms of the loan (Note 34).

The loan has covenants relating to the contracting of additional debt and the acquisition and sale of assets.

(g) Bank loan of 5,000,000 Euros obtained by Impresa on 22 December 2004 from Caixa Banco de Investimento, SA.

The loan bears interest payable half yearly at the Euribor six month rate plus a spread of 1.25%, the first instalment having fallen due on 22 June 2005. The loan is repayable as follows:

2008	**1,000,000**
2009	1,000,000
	2,000,000

At 31 December 2007 Soincom had shares representing 51% of SIC's capital and Impresa had shares representing 100% of Soincom capital as guarantee of full compliance with the terms of the loan (Note 34).

(h) Bank loan of 325,000 Euros contracted by Office Share with Banco Comercial Português, S.A.. The loan bears interest payable half yearly at the Euribor one month rate plus a spread of 1.13% and is repayable as follows:

2008	**65,000**
2009	65,000
2010	65,000
	130,000
	195,000

As guarantee of the full compliance with the terms of the loan, Office Share signed a blank promissory note in favour of the bank. In addition, comfort letters issued by the shareholders were delivered as a guarantee of the obligations emerging from the contract.

(i) Current accounts obtained by group companies, which bear interest at normal market rates for similar transactions.

(j) The bank overdrafts bear interest at market rates for similar transactions.

At 31 December 2007 and 2006 the effective interest rates on the loans were as follows:

Company	Lending entities	2007	2006
Media Zoom	Banco BPI, S.A. (a)	5.88%	5.27%
Impresa	Caixa Geral de Depósitos, S.A. (b)	5.57%	4.40'%
SIC	Banco Espírito Santo de Investimento, S.A. (c)	4.77%	4.40%
SIC	Caixa Geral de Depósitos, S.A.	-	3.63%
Impresa Jornais	Banco Comercial Português, S.A. (d)	4.77%	4.75%
Sojornal	Caixa Geral de Depósitos, S.A.	-	4.66%
Impresa Jornais	Banco Comercial Português, S.A. (e)	5.16%	3.93%
Edimpresa	Banco Espírito Santo e Banco Espírito Santo de Investimento, S.A. (f)	6.31%	5.44%
Impresa	Caixa Banco de Investimento, S.A. (g)	5.55%	4.33%
Office Share	Banco Comercial Português, S.A. (h)	5.42%	4.04%
SIC	Banco Comercial Português, S.A.	-	4.10%

Information on the Group's exposure to interest rate risk on its loans is shown in Note 39.

05.30 Suppliers and accounts payable

At 31 December 2007 and 2006 these captions were made up as follows:

	12/31/07		12/31/06	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Suppliers, current accounts	43,259,546	-	29,741,404	-
Fixed assets suppliers				
Finance leases	1,935,116	11,031,443	1,782,374	10,238,634
Other	4,774,100	-	3,768,114	-
	49,968,762	11,031,443	35,291,892	10,238,634

At 31 December 2007 SIC, Office Share and Edimpresa had liabilities of 5,986,000 Euros, 6,974,595 Euros and 5,964 Euros, respectively, as lessees under finance lease contracts, payable as follows:

	PRINCIPAI	INTEREST	TOTAL
2008	1,935,116	543,262	2,478,378
2009	1,703,590	460,313	2,163,903
2010	1,448,534	394,174	1,842,708
2011	1,449,898	333,675	1,783,573
2012	1,428,095	271,492	1,699,587
2013	1,102,968	214,302	1,317,270
2014 a 2018	3,898,358	579,676	4,478,034
	11,031,443	2,253,632	13,285,275
	12,966,559	2,796,894	15,763,453

The liabilities under the lease contracts relate essentially to the head office building of Office Share and technical support equipment for the digitalisation project of SIC's operating systems. The lease contracts do not include contingent instalments, but include purchase options at below the market value of the assets.

05.31 Other current liabilities

At 31 December 2007 and 2006, this caption was made up as follows:

	31-12-2007	31-12-2006
Advances from customers	786,355	2,435,988
State and other public entities:		
Value Added Tax	2,192,815	4,528,026
Instituto Português de Arte Cinematográfica e Audiovisual/ Cinemateca Portuguesa	1,571,346	1,562,860
Personnel Income Tax withholdings	1,321,035	1,393,319
Social security contributions	1,369,210	1,446,707
Corporate Income Tax (a)	3,276,652	1,217,517
	9,731,058	10,148,429
Accrued expenses:		
Vacation pay	7,410,478	7,090,611
Bonuses and overtime	6,256,126	1,439,261
Program production costs (b)	2,945,892	1,555,260
Communication expenses	1,451,231	948,099
Accrued royalties	1,322,082	328,616
Commercial agreements	1,112,953	821,709
Author copyrights (c)	590,989	477,833
Barter transactions	398,516	244,700
Surplus	217,444	325,334
Production cost of magazines, newspapers and other products	186,107	242,627
Cooperation expenses	126,124	175,157
Accrued interest	109,175	230,793
Exchange rate forward (Note 32)	-	59,594
Other accrued costs	2,976,325	2,922,347
	25,103,442	16,861,941
Deferred income:		
Antecipating invoicing	2,613,825	1,348,428
Transmission rights	-	1,221,353
Magazines and newspapers subscriptions	1,203,993	828,181
Other deferred income	3,630,232	2,114,927
	7,448,050	5,512,889
Other liabilities (d)	2,163,183	1,223,675
	45,232,088	36,182,922

(a) Corporate income tax is made up as follows:

Income tax for the year (Note16.b))	3,845,297	1,829,687
Payment on account	(453,229)	(486,750)
Withhodings taxes	(115,416)	(125,420)
	3,276,652	1,217,517

(b) This caption refers essentially to expenses incurred by SIC's program and information departments, relating to programs already broadcast, for which the corresponding invoices have not yet been received.

(c) This caption corresponds to the liability to Sociedade Portuguesa de Autores, C.R.L. ("SPA") under SIC's normal operations. In accordance with the terms of the contract entered into with that entity, which represents authors, the Company must pay a monthly amount corresponding to an established percentage of invoiced advertising net of discounts.

(d) This caption includes 1,916,574 Euros payable relating to participating units subscribed in FICA (Note 21). The amount of 6,017,163 Euros payable in more than one year is reflected in the caption "Other non-current liabilities".

05.32 Provision and accumulated impairment losses

The following movements were recorded in the years ended 31 December 2007 and 2006 in the captions provisions and accumulated impairment losses:

31 December 2007:

	Financial investments impairment losses (Note 20)	Loans conceded impairment losses (Note 20)	Investment properties impairment losses (Note 22)	Accounts receivables impairment losses (Notes 11 and 24)	Decrease of broadcasting rights and inventories net realizable value (Notes 13 and 23)
Balances at 31 December 2006	819,231	1,091,825	64,746	6,272,007	2,110,430
Changes in the consolidation perimeter	-	-	-	202,189	228,953
Increases	-	-		885,107	419,532
Utilizations	-	(1,091,825)	-	(45,217)	(175,443)
Decreases regularizations	(60,433)	-	-	(519,231)	(1,140,240)
Balances at 31 December 2007	758,798	-	64,746	6,794,855	1,443,232

31 December 2006:

	Financial investments impairment losses (Note 20)	Loans conceded impairment losses (Note 20)	Investment properties impairment losses (Note 22)	Accounts receivables impairment losses (Notes 11 and 24)	Decrease of broadcasting rights and inventories net realizable value (Notes 13 and 23)
Balances at 31 December 2005	1,337,725	1,091,825	64,746	6,699,361	2,443,227
Changes in the consolidation perimeter	-	-	-	(1,238,306)	1
Increases	-	-	-	1,176,825	1,864,967
Utilizations	(490,059)	-	-	-	(141,823)
Decreases regularizations	(28,435)	-	-	(365,873)	(2,055,942)
Balances at 31 December 2006	819.231	1.091.825	64.746	6.272.007	2.110.430

Assets are presented net of impairment losses.

At 31 December 2007 and 2006 the provision for risks and charges relates essentially to legal actions in progress and is made up as follows:

Natureza	2007		2006	
	Amount claimed	Amount provisioned	Amount claimed	Amount provisioned
Legal actions	4,452,865	544,325	5,014,321	545,264
Labour	744,266	281,030	3,947,779	1,810,751
Abuse of freedom of expression	4,712,922	634,619	6,482,494	707,046
Penalties arising from the advertisement activity	2,083,361	639,121	3,880,316	904,696
Other	4,911,741	1,085,157	4,093,422	351,078
	16,905,155	3,184,252	23,418,332	4,318,835

At 31 December 2007, there were several lawsuits in progress brought against the Group by third parties, the amounts of which and final outcome at the time of preparing the financial statements were still unknown. Additionally, in 2006 SIC received a Note of Illicitness ("Nota de Ilicitude") from the Competition Authority for an alleged practice forbidden under article 4 of Law 18/2003 of 11 June, as a result of the signing of a partnership agreement between PTM, S.A.,TV Cabo Portugal, S.A. and SIC on 27 March 2000. The Competition Authority decided in this process to impose a penalty of 540,000 Euros on SIC in 2007, which it appealed against and which was decided in its favour by the Commercial Court. The Competition Authority appealed to the Tribunal de Relação de Lisboa (Relationship Court of Lisbon) against the decision, the appeal being pending in that court. In the year ended 31 December 2007, SIC recorded a provision of 137,000 Euros for this litigation. In addition, there are some additional tax assessments which were not provided for or paid by the Group, as it believes that they are unfounded (Note 16). The Board of Directors and the Group's lawyers believe, based on an assessment of the risks of the litigation in process, that the outcome of the litigation will not result in significant liabilities not covered by provisions reflected in the consolidated financial statements as of 31 December 2007, which correspond to the best estimate of the outflow resulting from these lawsuits as of that date, no asset having been recognised relating to any class of provision.

The movements in provisions in the years ended 31 December 2007 and 2006 were as follows:

31 December 2007:

	Provisions for risks and charges	Provisions for liabilities related to associated companies (Note 20)
Balances at 31 December 2006	4,318,835	-
Changes in the consolidation perimeter	561,550	-
Increases	678,031	69,093
Utilizations	(1,470,044)	-
Decreases/regularizations (Note 11)	(904,120)	-
Balances at 31 December 2007	3,184,252	69,093

The caption "provision and impairment losses" included in the Profit and loss statements by nature for the year ended 31 December 2007, includes an amount of 470,540 Euros, related to the impairment losses of the goodwill in Adtech.

31 December 2006:

	Provisions for risks and charges
Balances at 31 December 2005	4,209,067
Changes in the consolidation perimeter	(9,058)
Increases	1,526,114
Utilizations	(1,334,395)
Decreases/regularizations (Note 11)	(72,893)
Balances at 31 December 2006	4,318,835

05.33 Derivative financial instruments

Derivative financial instruments at 31 December 2007 and 2006 are made up as follows:

	31-12-2007	31-12-2006
Exchange rate forward (Note 15)	1,303	(59,594)

Derivative financial instruments used by the Group at 31 December 2007 relate to exchange rate forwards (computed over a notional value of 15,000,000 USD as of 31 December 2007), contracted to hedge the risk of exchange rate fluctuations on accounts payable to suppliers in US dollars.

In the year ended 31 December 2007 the Group recorded, in the consolidated statement of profit and loss, revenues of 1,303 Euros (Note 15) resulting from the initial recognition and changes in the fair value of exchange forwards.

These exchange rate derivatives are stated at fair value as of the balance sheet date, determined by valuations made by financial institutions, changes in fair value being recognised in the statement of profit and loss (Note 15). Fair value is obtained through confirmation of the discounted present value of the nominal amount in each currency, considering the prevailing income curve at the date. This amount corresponds to the substitution (or termination) cost of each operation and is intended to be its approximate market value considering current market conditions, namely the nominal interest rate differentials for the remaining term of the forward operation.

05.34 Contingent assets and liabilities

The guarantees given to third parties by Impresa, SIC and the remaining Group companies at 31 December 2007 are as follows:

At 31 December 2007, Media Zoom and Solo had shares representating 49% of SIC's capital pledged as a guarantee of a loan from Banco BPI, S.A. to finance the acquisition of that subsidiary (Note 29.a)).

At 31 December 2007, Impresa had shares representating 100% of Soincom's capital pledged as a guarantee of a loan obtained initially by that subsidiary from Caixa Geral de Depôsitos, SA, which was transferred to Impresa in 2001, and as a guarantee of the loan obtained from Caixa Banco de Investimento; additionally, Soincom had shares representing 51% of SIC's capital pledged as a guarantee of these loans (Notes 29.b) and g)).

At 31 December 2007, Impresa Jornais had shares representing 51% of Sojornal's capital pledged as a guarantee of a loan from Banco Comercial Português, S.A. (Notes 29.d) and e)).

At 31 December 2007, Impresa had quotas representing 25.5% of Edimpresa's capital pledged as a guarantee of a loan obtained by Edimpresa from Banco Espírito Santo and Banco Espírito Santo de Investimento, S.A. (Note 29.f)).

The bank guarantees given by SIC at 31 December 2007 are as follows:

	31-12-2007	31-12-2006
Tax department of Algés	3,963,514	1,772,543
Alta Autoridade para a Comunicação Social	1,995,192	2,495,192
Novimovest	1,320,600	1,320,600
IBM	283,329	283,329
Imopólis	52,884	-
Câmara Municipal de Oeiras	35,745	35,745
SPA	12,500	-
Net TV	-	919,549
	7,663,764	6,826,958

The guarantees given to the Tax Department of Algés are in connection with the tax litigation awaiting judgement of the appeals submitted by SIC (Note 16).

The guarantee given to Alta Autoridade para a Comunicação Social results from requirements of current legislation for the licensing of new channels and for broadcasting television contests, respectively.

The guarantee given to Novimovest is to ensure that the obligations resulting from the head office building lease contract with this entity are complied with, specially the payment of the rent.

The guarantee given to IBM relates to the acquisition of computer equipment by SIC under lease contracts.
The guarantee given to Imopólis is to ensure that the obligations resulting from rent contracts with that entity are complied with.
The guarantee given to the Municipal Council of Oeiras results from a process to purchase a plot of land adjacent to the installations of SIC's headquarters.

The guarantee given to SPA is to cover the payment of authors' rights on phonographic works in accordance with a contract entered into.

The bank guarantees given by Edimpresa at 31 December 2007 and 2006 are as follows:

	31-12-2007	31-12-2006
Tax department of Oeiras	932,400	2,132,400
Civil Government of Lisbon	35,320	171,252
	967,720	2,303,652

The guarantee given to the Tax Department of Oeiras is to cover an additional tax assessment relating to withholding personal income tax of 731,593 Euros for 2005 (Note 16).

The guarantees given to the Civil Government of Lisbon results from legal requirements of current legislation relating to contests in publications.
At 31 December 2007 and 2006, the remaining Group companies, namely, Sojornal and Medipress, had bank guarantees given relating to their operations and tax assessments with decisions pending on appeals presented by the companies, in the amounts of approximately 656,000 Euros and 89,000 Euros, respectively.

05.35 Commitments assumed

05.35.1 Pensions

Certain Group companies (Impresa, Sojornal, Medipress and Media Zoom) have assumed commitments to pay their employees and remunerated members of the Board of Directors hired before 5 July 2003, pension supplements for retirement due to age and incapacity. The benefits are calculated based on a percentage that increases with the number of years of service applied to the salary scale or a fixed percentage applied to the base salary as of the anniversary date defined as being the amounts in 2002.

In 1987 the Group created an autonomous pension fund to which it transferred its liability for the payment of pensions.

In accordance with an actuarial study made by the entity managing the fund, the present value of the past service liability of the above mentioned companies for current and retired employees as of 31 December 2007 was estimated in 5,392,058 Euros, the value of the fund being 6,504,447 Euros. As the Company cannot be sure that the excess can be repaid to it or result in a decrease in future contributions to the plan, in compliance with paragraph 58 of IAS 19, the asset has not been recognised.

The actuarial study was made using the method known as "Projected Unit Credit" to calculate the pensions for retirement due to age and the method known as "Successive Sole Premiums" to calculate the pension due disability, and the following main assumptions and actuarial and technical bases:

	31-12-2007	31-12-2006
Annual rate of return on pension fund assets	4.6%	5%
Salary growth rate	0%	0%
Pension growth rate	0%	0%
National minimum salary growth rate	4.50%	4.50%
Technical actuarial rate	5.25%	4%
Salary growth rate for purposes of calculation of the Social Security pension	2%	2%
Actuarial tables:		
Mortality	TV 88/90	TV 88/90
Disability	EVK 80	EVK 80

The estimated annual rate of return on the pension fund assets was determined by the company managing the fund, by applying to the benchmark structure of the Fund's assets, the expected medium and short term annual rates of return to each class of assets. This results from an estimating model of an international consultancy firm, in which the inputs are not only the historical rates of return for each class of assets but also the perspectives of an international panel of financial analysts.

The changes in the past service liability of current and retired employees in the years ended 31 December 2007 and 2006 were as follows:

	31-12-2007	31-12-2006
Present value of the liability for defined benefits at the beginning of the period	6,265,891	5,770,783
Benefits paid	(239,466)	(201,555)
Current service cost	74,292	328,693
Interest cost	307,308	359,922
Actuarial (gains)/losses	(1,015,967)	8,048
Present value of the liability for defined benefits at the end of the period	5,392,058	6,265,891

The changes in the value of the plan assets in the years ended 31 December 2007 and 2006 were as follows:

	31-12-2007	31-12-2006
Plan assets at the beginning of the period	6,507,567	6,391,200
Benefits paid	(239,466)	(201,556)
Actual return on the plan assets	236,346	317,923
Plan assets at the end of the period	6,504,447	6,507,567

The fund's assets at 31 December 2007 and 2006 were made up as follows:

	31-12-2007		31-12-2006	
	Value	%	Value	%
Bonds	2,286,965	35%	2,568,890	39%
Yield government titles ("Títulos de rendimento de divida pública")	2,082,903	32%	1,680,217	26%
Participation titles in real state investment funds	1,324,576	20%	1,247,075	19%
Shares	622,131	10%	807,536	12%
Cash and cash equivalents, accounts receivable and other current assets	187,872	3%	203,849	3%
	6,504,447	100%	6,507,567	100%

The pension fund does not have any securities of the Impresa Group or any assets used by it.

05.35.2 Commitments to acquire programs

At 31 December 2007 and 2006, the Group had contracts and agreements with third parties to acquire films, series and other programs amounting to 18,809,613 Euros and 11,693,091 Euros, respectively, not included in the balance sheet in accordance with the accounting criteria used (Note 2.10)), as follows:

Nature	31 December 2007					31 December 2006				
	Last year the titles can be broadcastedt					Last year the titles can be broadcastedt				
	2008	2009	2010 and subsequent years	Undefined date	Total	2007	2008	"2009 and subsequent years"	Undefined date	Total
Entertainment	11,018	-	-	-	11,018	699,001	-	-	-	699,001
Films	681,629	-	-	12,943	694,572	988,110	8,358	30,824	61,414	1,088,706
Format	2,622,369	-	-	-	2,622,369	3,093,591	-	-	-	3,093,591
Soap-operas	13,574,174	-	-	-	13,574,174	5,887,778	-	-	-	5,887,778
Children	10,800	-	-	-	10,800	46,915	-	-	40,356	87,271
Documentaries	27,631	50,616	-	-	78,247	13,246	-	-	-	13,246
60 Series	251,766	107,745	87,708	-	447,219	337,686	-	-	-	337,686
Mini series	41,339	-	-	-	41,339	-	-	-	-	-
Wlldelife	17,375	-	-	-	17,375	445,999	-	-	39,813	485,812
Sport	1,312,500	-	-	-	1,312,500	-	-	-	-	-
	18,550,601	158,361	87,708	12,943	18,809,613	11,512,326	8,358	30,824	141,583	11,693,091

Nature	31 December 2007					31 December 2006				
	Last year the titles can be broadcastedt					Last year the titles can be broadcastedt				
	2008	2009	2010 and subsequent years	Undefined date	Total	2007	2008	"2009 and subsequent years"	Undefined date	Total
Entertainment	11,018	-	-	-	11,018	20,549	33,522	644,930	-	699,001
Films	71,256	254,482	355,891	12,943	694,572	19,691	304,658	744,650	19,707	1,088,706
Format	2,366,851	(253,495)	509,013	-	2,622,369	757,464	52,000	2,284,127	-	3,093,591
Soap-operas	3,809,951	-	9,764,223	-	13,574,174	3,050,257	-	2,837,521	-	5,887,778
Children	-	-	10,800	-	10,800	6,073	-	40,842	40,356	87,271
Documentaries	26,706	51,041	500	-	78,247	3,246	10,000	-	-	13,246
60 Series	14,670	221,671	210,878	-	447,219	38,743	210,009	88,934	-	337,686
Mini series	-	-	41,339	-	41,339	-	-	-	-	-
Wlldelife	17,375	-	-	-	17,375	123,608	202,390	120,001	39,813	485,812
Sport	1,312,500	-	-	-	1,312,500					
	7,630,327	273,699	10,892,644	12,943	18,809,613	4,019,631	812,579	6,761,005	99,876	11,693,091

05.35.3 Commitments to acquire fixed assets

At 31 December 2007 and 2006, the commitments assumed for the acquisition of fixed assets amounted to approximately 2,000,000 Euros and 759,097 Euros, respectively.

05.35.4 Operating leases

In 2004 SIC sold its head office building to an investment fund by 12,300,000 Euros and signed a renting contract of that building for a period of 15 years at an annual rent of 816,500 Euros in the first year and 873,000 Euros as from the second year, subject to annual adjustment based on inflation. In addition the Group uses other assets under operation lease contracts.

The operating lease contracts in force do not have contingent rent clauses. In 2007, no new operating lease contracts were signed.

The operating lease contracts mature as follows:

	2007	2006
- within one year	1,899,103 Euros	1,453,462 Euros
- from one to five years	5,034,600 Euros	4,372,904 Euros
- more than five years	6,607,358 Euros	6,607,358 Euros

05.35.5 Commitments to acquire financial investments

Up to July 2008 Terra do Nunca will have a capital increase of 37,500 Euros with a share premium of 2,319,800 Euros to be subscribed only by SIC, which will become holding 60% of its share capital. Under the terms of the shareholders' agreement between SIC and TG, SGPS, S.A. (current majority shareholder of Terra do Nunca), after realisation of the capital increase, control of the company will pass to SIC.

Media Zoom has assumed the commitment to acquire an additional 14.9% participation in AEIOU by 31 December 2008, by an amount between 373,426 Euros and 595,882 Euros, depending on AEIOU's operating results. In addition, Media Zoom has an option to purchase 19% of the capital of Dirnet, which can be exercised up to 2009, by an amount of between 43,320 Euros and 64,980 Euros depending on Dirnet's operating results.

Edimpresa has an option to purchase 24% of the capital of NJPT, which can be exercised up to 2010, for an amount which varies depending on NJPT's operating results.

Impresa Turismo has assumed the commitment to acquire an additional 29% participation in the capital of InfoPortugal by an amount of between 1 Euro and 3,697,500 Euros, depending on InfoPortugal's operating results. After acquisition of this participation, Impresa Turismo has an option to purchase the remaining 20% of the capital, to be exercised by 1 April 2010, by an amount of between 1 Euro and 2,550,000 Euros, depending on the operating results of InfoPortugal.

These purchase options were not measured at fair value, as the underlying shares do not have a listed market value on an active market, it is not possible to reliably measure their fair value and they will be settled by delivery of the underlying shares to Impresa.

05.35.6 Remuneration of the members of the corporate boards

Remuneration of the members of the Board of Directors of Impresa for the years ended 31 December 2007 and 2006, to be paid by Impresa, amounted to 579,705 Euros and 386,561 Euros, respectively. Remuneration of the Sole Statutory Auditor for these years amounted to 41,550 Euros and 40,800 Euros, respectively.

05.35.7 Related parties

The balances at 31 December 2007 and 2006 and transactions during the years then ended with related parties were as follows:

31 December 2007:

	Balances			
	Bank deposits	Accounts receivable	Accounts payable	Loans obtained
BPI Group	18,079,382	193,600	-	141,770,492
Vasp	-	3,049,340	127,881	-
Terra do Nunca	-	1,432,205	-	-
	18,079,382	4,675,145	127,881	141,770,492

	Transactions				
	Services obtained	Payroll	Financial costs	Sales and services rendered	Financial income
BPI Group	29,946	-	8,591,404	320,003	390,692
The Board of Directors	-	1,158,388	-	-	-
Vasp	615,995	-	-	28,501,494	-
Terra do Nunca	5,653,963	-	-	555,720	-
	6,299,904	1,158,388	8,591,404	29,377,217	390,692

31 December 2006:

	Balances			
	Bank deposits	Accounts receivable	Accounts payable	Loans obtained
BPI Group	4,479,158	-	-	142,633,991
Vasp	-	3,818,093	21,748	-
	4,479,158	3,818,093	21,748	142,633,991

	Transactions				
	Services obtained	Payroll	Financial costs	Sales and services rendered	Financial income
Impreger	89,784	-	-	-	-
Grupo BPI	10,147	-	7,378,368	320,000	150,265
Conselho de Administração	-	1,247,091	-	-	-
Vasp	341,684	-	-	34,052,244	-
	441,615	1,247,091	7,378,368	34,372,244	150,265

The terms and conditions practiced in transactions between Impresa and related parties are substantially the same to those that would normally be contracted, accepted and practiced between independent entities in comparable operations.

Some of Impresa's shareholders are financial institutions with which commercial agreements are established in the normal course of Impresa's operations, with similar conditions to those currently contracted with independent entities. The transactions carried out under the commercial agreements relate essentially to advertising services by the Impresa Group and the granting of loans by the financial institutions. In the beginning of 2005 the Group acquired from the BPI Group, 49% of SIC's share capital and obtained a loan of 152,000,000 Euros (Note 29) to finance the acquisition.

Balances and transactions between the consolidated companies were eliminated in the consolidation process and are shown in Note 9.

Considering the Group's governance structure and the decision making process, it only considers as "key management personnel", the Board of Directors, as the main operating decisions are made by Impresa's Executive Committee, which is made up only of members of the Board of Directors.

In the years ended 31 December 2007 and 2006 pension supplements of 178,181 Euros and 178,080 Euros, respectively, were paid by the pension fund to one director.

In the years ended 31 December 2007 and 2006 no long term benefits relating to termination of contracts or payments in shares were attributed to members of the Board of Directors.

05.38 Rates used for translation of foreign currency balances

The following rates were used to translate foreign currency assets and liabilities at 31 December 2007 and 2006 to Euros:

	2007	2006
Dólar Americano	1,47211	1,31387
Libra Inglesa	0,73335	0,67071
Franco Suíço	1,65871	1,60867

05.39 Financial instruments

The Group manages its capital to ensure that the subsidiary companies carry out their operations from a going concern standpoint. In this respect, the Group periodically analyses the capital structure (own and third party) and debt maturities of the Group companies, financing them when necessary.

The Group's capital structure allocated to operations includes the loans disclosed in Note 29, cash and cash equivalents and equity attributable to the shareholders of the parent company (Note 27).

The financial instruments at 31 December 2007 and 2006 were as follows:

	2007	2006
Financial assets:		
Available-for-sale assets	8,927,674	-
Receivables	62,218,597	54,952,819
Cash and cash equivalents (Note 26)	28,913,175	15,340,464
Derivatives (Note 33)	1,303	-
	100,060,749	70,293,283
Financial liabilities :		
Loans	211,007,712	224,188,346
Payables	112,249,456	81,653,854
Derivatives (Note 33)	-	59,594
	323,257,168	305,901,794

The Impresa Group is exposed essentially to the following risks:

a) Market risk

Market risks result from changes in interest and exchange rates.

(i) Interest rate

Interest rate risk relates essentially to interest cost on several loans subject to variable interest rates. In order to reduce the Group's exposure to variable interest rates, the contract for the loan from BPI, obtained in 2005 to finance the acquisition of 49% of the share capital of SIC, includes a floor and cap which limit the variation in the basic interest rate on the loan to 2% and 5%, respectively, up to 2014. The amount due on this loan at 31 December 2007 and 2006 was 139,770.491 Euros and 142,622,951 Euros, respectively, representing 64.8% and 61.9% of bank indebtedness as of those dates. The remaining loans are exposed to changes in the market rates of interest.

If market interest rates in the years ended 31 December 2007 and 2006 were 0.5% higher or lower, net profit for these years would have increased or decreased by approximately 1,083,000 Euros and 1,167,000 Euros, respectively.

(ii) Exchange rate

Exchange rate risk refers to receivables and payables in currencies other than the Euro, Group's currency. At 31 December 2007 and 2006 the Group had no foreign currency accounts receivable.

Exchange rate risk at 31 December 2007 refers essentially to contracts for the acquisition of television program broadcasting rights entered into with several foreign producers.

The foreign currency balances payable relating to such acquisitions expressed in Euros at the exchange rates in force at 31 December 2007 and 2006 are as follows:

	2007	2006
American dollar (USD)	4,882,484	890,444
Swiss franc(CHF)	73,859	27,117
British pound (GBP)	35,742	9,985
	4,992,085	927,546

The Company contracted exchange forwards with a notional value of 15,000,000 (Note 33) at 31 December 2007 and 2006 to hedge exchange risk. These derivatives are recorded at fair value.

a) Credit risk

Credit risk relates essentially to accounts receivable resulting from the operations of several Group companies (Note 24). In order to reduce credit risk, the Group companies have defined policies for granting credit, with defined credit limits by client and collection terms and discount policies for payment in advance or cash. Credit risk of each Group business is monitored regularly with the objective of:

- limiting credit granted to clients considering the profile and age of the account receivable;
- monitor evolution of the level of credit granted;
- review the recoverability of amounts receivable on a regular basis.

Impairment losses on accounts receivable are calculated considering:

- a review of the aging of accounts receivable;
- risk profile of the customer;
- historical commercial and financial relationship with the customer;
- existing payment agreements;
- financial condition of the customer.

The changes in impairment losses on accounts receivable are shown in Note 32.

The Board of Directors believes that the impairment losses on accounts receivable are adequately reflected in the financial statements, there being no need to increase the adjustments to accounts receivable.

Receivables at 31 December 2007 and 2006 include amounts overdue as follows, for which impairment losses were not recognised as the Board of Directors believes that they are collectible.

Overdue balances	2007	2006
Up to 90 days	14,099,320	10,679,801
From 90 to 180 days	1,830,280	1,893,850
From 180 to 360 days	2,281,208	1,969,884
	18,210,808	14,543,535

In addition, accounts receivable at 31 December 2007 include balances not yet due, their maturity dates being defined contractually as follows:

Due date	2007
2008	359,337
2009	344,476
2010	330,230
2011	316,573
2012	303,481
2013 and subsequent years	1,763,585
	3,417,682

b) Liquidity risk

Liquidity risk exists if the funding sources such as operating cash flows, divestment, credit lines and flows from financing operations do not meet the financing needs such as cash outflow for operating and financing activities, investment, shareholder remuneration and debt repayment operations.

In order to reduce this risk, the Group endeavours to maintain a liquid position and average debt maturity that enables it to repay debt under reasonable conditions. At 31 December 2007 and 2006 the amount of cash and credit lines approved and not used amounted to approximately 64,857,000 Euros and 51,513,000 Euros, respectively. Financial indebtedness at 31 December 2007 and 2006 matures as follows:

Financial liabilities	2007				
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Interest bearing:					
Loans	28,708,734	27,284,852	13,360,878	141,653,248	211,007,712
Finance leases	1,935,116	1,703,590	1,448,534	7,879,319	12,966,559
Other non-current liabilities	1,916,574	1,825,289	1,738,351	2,453,523	7,933,737
	32,560,424	30,813,731	16,547,763	151,986,090	231,908,008
Non-interest bearing:					
Trade payables	43,259,545	-	-	-	43,259,545
Suppliers of fixed assets	4,774,100	-	-	-	4,774,100
Other current liabilities	43,315,515	-	-	-	43,315,515
	91,349,160	-	-	-	91,349,160
	123,909,584	30,813,731	16,547,763	151,986,090	323,257,168

Financial liabilities	2006				
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Interest bearing:					
Loans	14,034,410	13,922,935	29,325,082	166,905,919	224,188,346
Finance leases	1,782,374	1,221,012	1,183,402	7,834,220	12,021,008
	15,816,784	15,143,947	30,508,484	174,740,139	236,209,354
Non-interest bearing:					
Trade payables	29,741,404	-	-	-	29,741,404
Suppliers of fixed assets	3,768,114	-	-	-	3,768,114
Other current liabilities	36,123,328	-	-	-	36,123,328
Derivatives	59,594	-	-	-	59,594
	69,692,440	-	-	-	69,692,440
	85,509,224	15,143,947	30,508,484	174,740,139	305,901,794

05.40 Subsequent events

In February 2008, throug Impresa Jornais, the Group acquired 40% of the capital of Páginas Longas for 17,474 Euros, the Group thus becoming the sole shareholder of that company.

In February 2008, Impresa SGPS founded Acting Out – Produção de Espectáculos e Eventos, Lda., which has the objectives of producing, exploiting and distributing shows of any kind, having a quota of 30,000 Euros, representing 60% of its capital.

In February 2008, though Impresa SGPS, the Group acquired a 20% participation in the capital of Castillo de Elsinor SL for 1,549,075 Euros. Castillo de Elsinor SL produces events and creates shows in Spain, Italy, Ireland, the United Kingdom and France.

05.41 Note added for translation

These financial statements are a translation of financial statements originally issued in Portuguese. In case of discrepancies, original Portuguese language version prevails.

AUDIT COMMITTEE

06 Social Responsibility

The Group IMPRESA is fully conscious of its added social responsibility, since its companies operate mostly in the social communication area.

Therefore, the group promotes several initiatives throughout the year, internal and external, which express its concern with the community and reflect the values the group focuses on and puts into practice, such as:

Development of relations with Stakeholders, local communities and the Society in general;
Larger investment in human resources, regarding the various aspects involved;
Preservation and defence of the environment.

In this context, several actions were developed in 2007 by Group's media, providing the society with valuable contributions in several areas:

06.1 External Initiatives

02.1.1 Institutional Initiatives

- **Portuguese Language Championship**

  - Launched in 2005, in partnership with BPI, this initiative has become increasingly important for schools and citizens in general, attracting an increasingly larger number of participants and constituting a valuable contribution for the study, better knowledge and cultivation of the Portuguese language. This competition is organised by "Expresso", "SIC", "SIC Notícias" and "Jornal de Letras".

  - In its 2007 edition, 31,875 people, of all age groups, from the whole country, as well as countries whose official language is Portuguese (PALOPs), participated. The number participants increased by over 150% relatively to the previous year, due to the introduction of an online component and the valuable collaboration of the Camões Institute. The number of participating schools also increased significantly (325).

  - The Great Final, which took place at the Belém Culture Centre, gathered a large number of participants and guests and was broadcast live by SIC, attaining excellent audience levels.

- **Launch of Braille editions**

  Braille editions, which started in 2005 with the "Visão" magazine, were extended to the "Visão Júnior" and "Activa" magazines in 2006; these editions were maintained in 2007, given the success of this initiative.

- **Cultural Incentives**

  Several initiatives were launched with the aim of stimulating interest in reading, writing, photography and history in younger (and other) citizens:

  - **Special edition of "Visão Júnior"** – A special summer edition of this adolescent magazine was published in 2007, including games, pastimes and charades. Many games included are created by education experts and designed to train competences related to reading, writing and mathematics. Games are a favourite with kids, as well as constituting a means of training and testing abilities.

  - **Legends of Portugal** – The "Expresso" newspaper launched a collection of twelve books, illustrated, telling the legends of several selected cities, which relate to their history. A CD was distributed with each book, containing the corresponding narration, as well as traditional music for the region.

- **Portugal for the Youngest** – A tourism and culture guide for the youngest, in ten volumes. This was an initiative of the "Expresso" newspaper, including maps and brief information on the history, climate, culture, monuments, fauna and handicrafts of several locations in the country.

- **Audio Books** – A collection of six audio books, by Agatha Christie, launched by "Expresso", aimed at the youngest; this is the first initiative of its kind launched by a newspaper.

- **Great Photographers Collection** – A series of works by great authors, carefully selected, distributed with twelve "Expresso" editions. A competition for amateur photographers was simultaneously launched, on the theme "Photographs of Portugal".

- With the support of "Banco Santander Totta", "Expresso" editions were distributed to the best students from various Universities.

- **Voluntary work**

  An experience whereby various Group company collaborators, interested in developing projects in problem areas, contributed with a voluntary work day, helping to build nurseries, playschools and leisure areas in the Greater Lisbon and Guimarães areas, was repeated.

- **Conferences**

  Portugal in Exam – For the third consecutive year, the Conference organised by the "Exame" magazine took place; the theme chosen for 2007 was "Champions of the World". Numerous businessmen, economists and managers participated in this conference, having reflected on success cases and indicated the ways for Por tugal to do its best.

  - Al Gore – In February, the month chosen by "Expresso" to focus on the environment, Al Gore's Conference by occasion of the launch of his book and film "An Inconvenient Truth" also took place; this conference was given wide coverage and an exclusive interview with the speaker was published.

  - Kofi Annan – Within the scope of the sustainability month, "Expresso", together with "Banco Espírito Santo", brought the former General Secretary of the United Nations to Portugal, for a conference at the Ritz Hotel on the following theme: "Great Challenges for Humankind in the 21st Century".

- **Global Management Challenge**

  This initiative was launched 29 ago, as a partnership between "Expresso" and "SDG – Simuladores e Modelos de Gestão", being currently implemented in 26 European, Latin-American, Asian and African countries; 360 thousand people from universities and companies have already participated in this initiative.

06.1.2 Press Area

Merit Awards

The awards created and given by some of the Group's Press media, with the objective of distinguishing people whose contribution to the development of society has been important, are also relevant:

Expresso

- **Pessoa Award**. Launched in 1987, in partnership with Unisys, this is still the most important Portuguese award. During the last 21 years, this award has stimulated the progression of important careers in culture, science, literature, art, history, etc. In 2007, this award was given to Irene Flunser Pimentel, a New State period historian, author of several published books. Her works reveal a remarkable effort of intellectual precision and academic objectivity, although never denying the author's defence of liberty and human rights.

- **Primus Inter Pares Award**. Promoted in partnership with "Banco Santander Totta", the objective of this award is to contribute towards the development of a rigorous, professional and excellence culture in the business management area, through granting of privileged complementary, international and national academic training opportunities to three young Business Management or Economics graduates, from the Portuguese Universities or Higher Education Institutions selected each year by the jury as the most prominent. The 2007 winner was Miguel Ramos, from the Catholic University.

- **Branquinho da Fonseca Award**. Organised in partnership with the Calouste Gulbenkian Foundation, the objective of this award is to encourage young writers and authors, aged between 15 and 30.

  The award winners in 2007 were: Luísa Costa Cabral, with "O Menino e a Árvore" (The Boy and the Tree) andEstêvão Luís Bertoni e Silva, with "O Dono da Festa" (The Party Owner).

- **Green Ideas Award**. The objective of this award is to distinguish an innovative project in the environment area, useful to Portuguese society.

  This award, worth 50,000€, organised together with "Sociedade Central de Cervejas", was given to a project for building a sustainable ecologic shelter prototype, in sensitive areas, entitled "Eco-Cabana" (Eco-Cabin), whose authors are João Cardoso Melo and Luís Capão.

Visão

- **"Visão" Photojournalism Award**. This is the largest and most important Portuguese press photography award. Created eight years ago, with the objective of stimulating and awarding the work of Portuguese or resident reporters, a new record of competitors was once again reached, in 2007, with 215 photographers and 6,141 images entered.

  The great 2007 winner was Manuel Almeida, reporter for news agency "Lusa".

Activa

- Active Woman Award. Created in 2001, the objective of this award is to divulge and value the often anonymous work of Portuguese women or groups of women who stood out in the previous year for their work or accomplishments in Portuguese society, as well as honour these women. Nominations are made by institutions, universities, foundations and other entities. The Jury is composed of prestigious personalities.
  The 2007 award was given to Paula Cristina Dias Martins, from the "Montes Altos" Social Centre.

Exame

- **The 500 Largest and Best Companies**. For the past 19 years, the "Exame" magazine has been awarding the best companies amongst the largest companies operating in Portugal. This special edition of the "Exame" magazine is the most reliable guide of the Portuguese corporate universe, already constituting a reference. The study on which this edition is based is exclusively performed for the "Exame" magazine by Informa D&B and validated by Deloitte. In addition to the ranking of the 500 best companies, by sales volumes, the best company in each of the 23 business sectors analysed, as well as the Company of the Year, are also elected.

  In 2007, the Company of the Year was Somincor.

- **The 1,000 Largest SMEs**. In this partnership with "Caixa Geral de Depósitos", companies are selected through a study exclusively performed for the "Exame" magazine by Informa D&B, whose results are validated by Deloitte. The "Exame" magazine has been publishing the ranking of the 1,000 Largest SMEs, in a special folder, for 12 consecutive years, also electing the best SME in each of the 21 sectors considered, as well as the best of the best.

  The SME distinguished in 2007 was British Airways.

- **Best Companies to Work in Portugal**. The "Exame" magazine was a pioneer in Europe by introducing a corporate environment study in 2000, in order to evaluate companies operating in Portugal regarding selection practices and talent retaining and motivation. In 2007, this study was performed in partnership with consultancy company Heidrick & Struggles, with a record ranking including 28 companies.

The winning company was Microsoft Portugal.

AutoSport

- **Car of the Year – Crystal Wheel Trophy**. An initiative of great credibility due to the recognised competence of the members of the jury, which is composed of journalists from several specialised publications. This initiative registers large participation from both brands and pilots.

  In 2007, the Car of the Year was the Nissan Qashqai.

Environment, Sustainability and Citizenship

- **Thematic Months**

Throughout 2007, "Expresso" dedicated some months to current themes of great importance for contemporary society, such as the following:

February – Was the month of Environment, with increased editorial focus on this theme, together with other initiatives, such as planting thousands of trees at Tapada de Mafra and other locations, in order to offset carbon dioxide emissions, turning the month's four newspaper editions into a "zero carbon" activity. Al Gore's visit to Portugal, for the aforementioned conference, was also supported, in partnership with EDP; "Expresso" also published an extensive exclusive interview.

May – Was dedicated to Sustainability. In addition to an editorial approach to this subject, Kofi Annan's visit to Portugal, for the aforementioned conference, was also organised, in collaboration with "Banco Espírito Santo".

July – Cities constituted the main focus of this month. In this context, "Expresso" selected the five best cities to live, having launched a public competition of ideas on how to make the best use of public areas in these cities. This initiative aroused great interest and the ideas selected (by a jury composed of Architects) were handed to architecture festival "Trienal de Arquitectura".

- **"Visão Verde" (Green Vision)**

Aware of the environmental problems affecting everyone, as well as its role as a reference means of communication in Portugal, the "Visão" magazine launched "Visão Verde", in September 2007. This edition was fully dedicated to the Environment and a tree was planted in a Portuguese city for each copy sold. The objective of extending green areas in our cities was reached, with 68,267 trees having been planted.

- **Other contributions**

- A Notebook was launched, as a joint initiative from "Expresso" and "Banif"; this notebook included numerous little great ideas, gestures and attitudes aimed at changing the world and addressing joy of living, responsibility and healthy lifestyles within the community.

- All press publications regularly offered news space for promotion of solidarity initiatives, presented by reliable entities.

- Culture and Shows benefit from a 50% reduction in the advertising fees table.

06.1.3 Television Area

- Every year, SIC has been increasing its support to various institutions and projects within the health, culture, environment and community service areas.
  In 2007, 94 campaigns were broadcast, totalling 13 hours and 13 minutes of transmission.
  Amongst the various beneficiary institutions, special emphasis was given to the "Instituto Nacional de Emergência Médica", "Banco Alimentar contra a Fome", "Associação Laço", "Liga Portuguesa Contra a Sida", "União Zoófila", "Liga Portuguesa Contra o Cancro", "Fundação Portuguesa de Cardiologia", "AMI", "Espaço T", "Cedema", "Fenacerci", "Associação Portuguesa de Leucemia", "Amnistia Internacional", "Associação Portuguesa de Apoio à Vitima", "Associação das Mulheres contra a Violência", "Caritas Portuguesa" and "Fundação São João de Deus".

- As had occurred in 2006, various Associations increased their focus on Human Rights campaigns in 2007: women's, children's, refugees' and homeless people's rights. The INEM (National Medical Emergency Institute) decided to sensitise the population to false alarms, through a campaign based on statistic data.

- 2007 was also a year of greater environmental concern, through divulgation of environmental campaigns organised by "Quercus" and the National Park Fair.

- In the area of music and culture shows, the SIC group supported a total of approximately 65 music and show events. In the majority of these events, the SIC brand was present at event locations, in order to enhance proximity. Support was also given to divulgation of non-profitable shows, such as: the International Music Festival of Póvoa de Varzim, the Council of Esposende Youth Festival, the Spring Festival and the Autumn Festival, both organised by the Ajuda Botanical Garden, and the S. Roque Music Festival, organised by "Santa Casa da Misericórdia de Lisboa". In the culture area, the following campaigns were divulged, amongst others: "Jazz in Tomar", organised by the Council of Tomar, and several theatrical shows, organised by Karnart and the Acert Association.

- Following its policy of viewer services and involvement, SIC continued to organise study visits to its installations, having received 57 institutions, namely elementary schools and associations, representing a total of 1,575 people.

06.1.4 "SIC Esperança"

In 2007, "SIC Esperança" saw its work awarded, having been recognised as a social solidarity association of public interest, which gave this project a unique status in the area of social communication in Portugal.

Already in its fifth year, "SIC Esperança" continues to pursue its objective of consolidating and developing solidarity activities promoted by the various SIC universe areas. Through development of specific projects, within the scope of a central annual theme, "SIC Esperança" intends to contribute to the divulgation and solution of

social problems affecting Portugal, in a consistent and sustainable manner, as well as encourage companies to participate in the process of making Portugal a better country and divulging the values associated with SIC.
The differentiation factors that distinguish "SIC Esperança" from other solidarity Associations and projects are sustained on **three distinct pillars**:

- Project follow-up, in order to ensure good application of investors' funds, which results in a positive impact on investor image, as well as increasing people's trust in solidarity, by ensuring money is adequately used and applied in worthy projects.

- Crossing the social awareness and social marketing, creating value for private companies and society.

- Positive approach to social causes, avoiding exploitation of the human condition.

"SIC Esperança" actions in 2007 focused on two specific social project implementation and support areas: accessibility and the environment, which will be the object of continued focus in 2008.

Accessibility:

The following projects were implemented:

- Adapted Sailing, in collaboration with "Caixa Geral de Depósitos";

- Financing of Braille and audio book equipment for the National Library, using funds from the sales of the Christmas "Floribella" CD;

- "SKIP/ACAPO/SIC Esperança" Project, aimed at raising awareness to problems faced by the blind;

- Creation of a workshop for disabled children at the Portuguese League of People with Motor Disabilities.

- Adaptation of bathrooms at "Lar da Boa Vontade", in order to accommodate the needs of disabled sailors during the Disabled Sailing World Championship, to take place in 2008. The necessary funds to finance this project originated from copyright amounts relative to sales of the "Sucesso.pt" book.

- Simultaneously, two campaigns were organised in order to raise awareness of good practices and good citizenship in promoting accessibility, endorsed by Rita Ferro Rodrigues and Martim Cabral.

Environment:

The following projects were implemented:

- In April 2007, the first "Magic Lamp" project was initiated, consisting of a campaign aimed at replacing normal incandescent light bulbs with energy-saving light bulbs, at no cost, organised in poor neighbourhoods. This objectives reached through this initiative were to ensure energy efficiency, achieve energy savings and promote environmental sustainability. In this specific action, approximately 8,000 light bulbs were replaced, which represents savings of 238,360€, in 4 years, and will prevent the emission of 1,089,500 kg CO_2 (also in 4 years).
  This action was supported by local institutions and IKEA, having involved SIC collaborators.

- Additionally, a competition was organised, in partnership with the Rock in Rio Lisbon "Solar School" project, aimed at awarding environmental school initiatives, making them consider the social/solidarity component.
  The award given consists of installation of solar panels in schools and distribution of tickets for the event.
  The energy generated by these panels is then sold to the electricity network, benefiting "SIC Esperança", which will apply this revenue in social projects.

Other Actions:

Simultaneously, “SIC Esperança” developed other individual actions:

- The “Jardim Esperança” initiative was presented at the Portuguese Association of Friends and Relatives of Alzheimer Patients; this initiative was the object of vast media coverage.

- For the second consecutive year, “SIC Esperança” organised the Impresa Group participation in corporate voluntary work project “GIRO”, organised by “Grace”.

- Over Christmas, “SIC Esperança” channelled goods donated through Licensing and Merchandising, benefiting over 450 children from various institutions.

Future Activities:

In 2008, “SIC Esperança” will focus on the Environment, with a strong social component, having already established a partnership with the Montijo Forum, for a second edition of the “Magic Lamp” project, also with the support of Philips.

The return of Rock in Rio Lisbon music festival, with its third edition in Portugal, will also entail a series of initiatives, since this festival has “SIC Esperança” as a social partner.

06.1.5 Relations with Stakeholders

IIMPRESA has a consolidated presence in the various bodies of which it is a member, which allows the group to actively participate in all decisions. The group enjoys from considerable prestige and is listened to by regulatory and self-regulatory bodies. This positioning was reaffirmed throughout 2007, especially due to the group’s continued contribution towards discussion and elaboration of alternative proposals to the diploma projects elaborated by the Government, aimed at stricter control of social communication means.

In 2007, the Group reinforced its presence in the social bodies of several associations,
having been elected to the following positions:

- “AIP/CE – Associação Industrial Portuguesa/Confederação Empresarial” – Board of Directors;

- “APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação” – Vice-Chairman of the Board of Directors;

- “API – Associação Portuguesa de Imprensa” – Chairman of the Board of Directors;

- “CCPJ – Comissão da Carteira Profissional de Jornalista” – Executive Secretariat;

- “CPMCS – Confederação Portuguesa dos Meios de Comunicação Social” – Board of Directors;

- “ERC – Entidade Reguladora para a Comunicação Social” – Advisory Board;

- “ICAP – Instituto Civil da Autodisciplina da Publicidade” – Vice-Chairman of the General Meeting and member of Fiscal Council;

- “OBERCOM – Observatório da Comunicação” – Chairman of the General Meeting and member of Board of Directors

Defence of freedom of information and social communication company viability were advocated within these bodies and before the Government and Parliamentary Groups:

a) Before the Government and Parliamentary Groups

Alterations to Journalist Status, Television Law and the Media Concentration Bill, Concession Contracts for Providing Public Television Services, Professional Journalist Certification Regulations, the Consumer and Advertising Code and the new Code of Criminal Procedure continued to be debated.

b) Before the various bodies:

APCT (Portuguese Edition and Circulation Control Association)

- The study of models and tools aimed at implementing circulation and online subscription control, to be initiated during the first half of 2008, was concluded;
- The launch of bi-monthly circulation (paper) control, to start in the beginning of 2008, was prepared;
- Special attention was given to observed situations of abuse regarding block subscriptions of several media; an addendum to the Regulations was elaborated, in order to exercise stricter control over this subscription mode;
- Annual audits were contracted (10 in 2007), to be performed during the first quarter of 2008;

CCPJ (Professional Journalist Certification Commission)

- The discussion on Journalist Status was followed until its end;
- A position was assumed regarding Certification Regulations, especially concerning professional contract conditions intended for trainees;
- Internal restructuring activities were carried out, in order to respond to the new demands imposed by the Articles of Association (Art. 14) and the Arbitration Committee (Copyright);

CPMS (Portuguese Social Communication Means Confederation)

- During meetings with the government Minister, supervising Media, a position was assumed and opinions were issued refuting some business-limiting documents, such as:

  - Bill against Media concentration;

  - Television Law;

  - Journalist Status;

  - Professional Journalist Certification Regulations, especially concerning contract conditions for Trainees;

  - Concession to RTP of a Contract for Providing Public Television Services;

  - AVMS Directive and Product Placement;

  - Consumer and Advertising Code Project,

- Portuguese Presidency events within the scope of Social Communication were followed;
- An annual debate-dinner was promoted, including speeches by the guardian Minister and the Press Chairman, with great media repercussion;
- Participation in Forums and Conferences;
- Participation in the Reflection Group on treatment of the emigration theme by social communication means;
- Contacts were initiated aimed at a review of the Articles of Association.

OBERCOM (Communication Observatory)

- Publication of several studies, in order to divulge the media and communications situation;
- Remodelling of the Annual Report and the Communications and Media Barometer;
- Publication of a Report on the Internet in Portugal;
- Several personalities were contacted to collaborate in a book on the 10 years of OBERCOM activity;
- Protocols were signed with Universities and other education establishments;
- The paper edition of the Observatory Magazine was discontinued; this magazine is now exclusively published online. In its first year, university graduates from several European countries, as well as Canada and the USA, collaborated in this online magazine, which was read in 69 countries, having affirmed its international and multi-lingual character.

06.2. Internal Level

06.2.1 Training

The Impresa Group continues to bet strongly on staff training, based on the following guidelines: high-quality, long duration training (post-graduation courses, MBAs and PhDs); behavioural training (management and leadership tools, organisational knowledge); internal training (editorial, technical, publishing, photography, graphics, archives, etc.); and foreign language, IT and legislation training.

Data relative to 2007 are shown, comparatively to 2006:

Building	No. of training actions			No. of collaborators			Total training hours		
	Jan-Dec 2006	Jan-Dec 2007	Var.	Jan-Dec 2006	Jan-Dec 2007	Var	Jan-Dez 2006	Jan-Dez 2007	Var
Ribeiro Sanches	3	2	-33.3%	3	3	%	61	40	-34.4%
S. Francisco de Sales	117	106	-9.4%	393	481	0	13,935	11,125	-20.2%
Estrada da Outurela	137	166	21.2%	516	609	22.4%	13,467	20,176	49.8%
TOTAL/GROUP	257	274	6.6%	912	1093	19.8%	27,463	31,341	14.1%

Specific Plans are included in this table, of which the following are highlighted:

Plan	No. of collaborators	Total training hours in 2007
Future Editorials	17	530
Jeps	4	12
Management and leadership	49	3,209
Journalism for non-journalists	19	114
Newsplex	56	1,562

Thematic Conferences

A Conference cycle on current themes was promoted, in partnership with "Rádio Renascença", which included a group of speakers of recognised competence in the various subjects:

- Evolution of the Portuguese Society in the last 20 years (economic, political, cultural and social) – *António Barreto*
- Social Security (Is it still viable? What solutions?) – *Luís Paes Antunes*
- Justice (investigation secrecy, professional secrecy, limitations to freedom of information) – *José Pedro Aguiar-Branco*
- State of the environment and climate changes – *Luísa Shmidt and Carlos Pimenta*
- Energy (current dependence, 99.4%; which future: nuclear, wind, other alternatives) – *António Costa e Silva*
- New generation media in the digital era – *Viviane Reding*, European Commissioner

This last conference took place at the Belém Culture Centre, in partnership with "Rádio Renascença", having attracted a large audience. The Commissioner's statements had vast repercussion in social communications, due to the existing legislative conjuncture at the time.

Journalism Course

The first Journalism and Contents Production Course for non-journalist Senior Staff, initiated in 2006 and developed during 24 sessions, was concluded, having achieved remarkable success.

Performance Evaluation

In 2007, IT application "Performance" was installed throughout the group, a process coordinated by Human Resources; this tool allowed automation of the performance evaluation process.

People and building security

In 2007, staged implementation of the various Security Plans continued; stage actions have been followed in all Group buildings.

Risk Management

In order to guarantee the existence of measures ensuring production continuity, alternative plans for printing Group newspapers and magazines are in place, in case of failure causing unforeseen and prolonged operational stoppage at the installations where these media are usually printed.

As part of this process, a study was also initiated to ensure operational continuity, in case of IT system failure.

Ink and paper stocks are also in place, in order to ensure printing continuity, in case of unforeseen interruption in the supply of these foreign origin materials.

Regarding SIC broadcasts, several broadcasting alternatives are foreseen, in order to ensure continuity, in case of failure. People responsible for Information Services, Continuity, IT and Technical Support are prepared and equipped with the necessary means to act, in case of emergency.

It should be referred that these themes are now coordinated with the Audit Committee, which follows the Risk Management system and may resort to external auditor services, since, according to its competences, the Audit Committee "…supervises the efficacy of the risk management system, the internal control system and the internal audit system…".

Environment Preservation

In 2007, a policy aimed at reducing consumables, namely paper, continued to be implemented.

Results achieved regarding environment preservation were satisfactory, due to IT systems development and decisions made, of which the following may be highlighted:

- A large part of corporate information is processed electronically, both on the Intranet and other supports.

- e-mail services are available to all Group collaborators.

- Mandatory use of e-mail instead of paper for communications between departments and other, from internal administration to IT.

- Launch of market tenders for the acquisition of software allowing electronic document circulation, authorisation and validation, which will eliminate the majority of current paper consumption.

- Increasing use of paper, packaging materials and toner cartridge recycling processes.

- In 2007, SIC signed a protocol with the Nature and Biodiversity Preservation Institute, with the objective of extending good environmental practices to the Portuguese population, through television programme "Terra Alerta", as well as the universe of SIC collaborators, through an internal communications plan. It is intended to extend this protocol to remaining Group companies in 2008.

- The SIC headquarters was subject to an Energy Audit, performed by the ADENE (Energy Agency), which resulted in the elaboration of a proposal including a series of ecological efficiency measures, to be implemented throughout 2008.
  It is intended for the "São Francisco de Sales" building to also be subject to Energy Audit, in 2008.

- Simultaneously, the ADENE performed a study on self-sustained energy generation, using photovoltaic panels, whose installation (on the SIC building roof) will also be carried out in 2008. It is intended for this study to also be performed in the "São Francisco de Sales" building, in 2008.

Professional Ethics

In addition to compliance with legislative norms (Press Law, Television Law, Journalist Status, Code of Ethics, etc.), large Group media – SIC, "Expresso" and "Visão – have their own Codes of Good Journalistic Practice; these codes are adopted by the remaining publications, after being adapted to their specific characteristics.

07 Corporate Governance Report

INTRODUCTION
The present report was elaborated according to the model foreseen in CMVM (Securities Market Commission) Regulation no. 1/2007, from the 21st November, including a summary of the most relevant corporate governance practices at IMPRESA.

07.0 Chapter 0 - Compliance Statement

07.0.1 Indication of the location where corporate governance code texts applicable to the issuer, and, if applicable, code texts with which the issuer has voluntarily agreed to comply, are available to the public.
Corporate governance code texts are available on the company website, having also been made public on the CMVM website.

07.0.2 Itemised indication of adopted and non-adopted CMVM Corporate Governance Code recommendations.
For this purpose, non-adopted recommendations are understood as those not complied with in full.

Recommendations:

1. GENERAL MEETING

1.1 General Meeting Board

1.1.1 The chairman of the general meeting board should have adequate supporting human and logistic resources to his/her needs, considering the company's economic situation.

Adopted

1.1.2 The remuneration of the chairman of the general meeting should be divulged in the annual corporate governance report.

Adopted

1.2 Participation in the Meeting

1.2.1 The obligation of share depositing or blocking in advance imposed by the articles of association for participation in a general meeting should not exceed 5 working days before the date of the general meeting.

Adopted

1.2.2 If the general meeting is suspended, the company should not impose share blocking until the session is resumed; the advance period required for the first session should be sufficient.

Adopted

1.3 Vote and Exercise of Voting Rights

1.3.1 Companies should not foresee any statutory restrictions to voting by correspondence.

Adopted

1.3.2 The statutory advance period for receiving votes issued by correspondence should not exceed 3 working days.

Adopted

1.3.3 Companies should foresee one vote per share in their articles of association.

Not adopted

1.4 Quorum and Deliberations

1.4.1 Companies should not establish constitutive or deliberating quorum numbers superior to those foreseen by law.

Adopted

1.5 Minutes and Information on Deliberations Adopted

1.5.1 General meeting acts should be made available to the shareholders on the company website, within 5 days, even if these do not constitute privileged information, on legal terms; this website should keep a history of attendance lists, agendas and deliberations for all meetings occurred, including at least the 3 previous years.

Not adopted

1.6 Corporate Control Measures

1.6.1 Measures adopted with a view to prevent the success of takeover bids should protect company and shareholder interests.

Adopted

1.6.2 Articles of association which, while respecting the principle defined in the section above, foresee a limitation to the number of votes that may be held or exercised by a single shareholder, individually or in coordination with other shareholders, should also foresee that maintenance of this statutory disposition should be subject to deliberation by the General Meeting, at least every five years – with no requirements for increased quorum numbers relatively to legal dispositions – and that all cast votes for this deliberation are counted without considering the limitation in question.

Adopted

1.6.3 No defensive measures should be taken with the purpose of automatically causing severe erosion in company assets in case of change of control or administrative body, thereby harming free transmission of shares and free evaluation of administrative body member performance by shareholders.

Adopted

2. ADMINISTRATIVE AND SUPERVISORY BODIES
2.1. General Subjects

2.1.1. Structure and Competence

2.1.1.1 The administrative body should evaluate the adopted model in its governance report, identifying eventual operational constraints and proposing measures that, in its judgement, are adequate to overcome them.

Adopted

2.1.1.2 Companies should create internal control systems for the effective detection of risks associated to company business, in order to safeguard its assets and increase corporate governance transparency.

Not adopted

2.1.1.3 Administrative and supervisory bodies should have operational regulations in place; these should be divulged on the company website.

Adopted

2.1.2 Incompatibilities and Independence
2.1.2.1 The board of directors should include a sufficient number of non-executive members, in order to ensure effective supervision, inspection and evaluation of executive member activities.

Adopted

2.1.2.2 The group of non-executive directors should include an adequate number of independent directors, considering company dimension and shareholder structure; this number can never be inferior to one fourth of the total number of directors.

Adopted

2.1.3 Eligibility and Appointment

2.1.3.1 Depending on the applicable model, the chairman of the fiscal board, the audit committee or the financial committee should be independent and possess the adequate competences to exercise the corresponding functions.

Adopted

2.1.4 Whistle-Blowing Policy

2.1.4.1 The company should adopt a whistle-blowing policy for communication of alleged internal irregularities, including the following elements: i) indication of the available means for internal communication of irregular practices, including people legitimately empowered to receive communications; ii) indication of how communications are processed, including confidential treatment, if requested by the communicating party.

Adopted

2.1.4.2 General guidelines concerning this policy should be included in the corporate governance report.

Adopted

2.1.5 Remuneration

2.1.5.1 Administrative body member remunerations should be structured, in order to allow alignment of their interests with company interests. In this context: i) executive director remunerations should include a performance-based component, which should take into account periodic performance evaluations performed by the competent body or committee for this purpose; ii) the variable component should be consistent with long-term company performance maximization and depend on sustainability of the performance variables adopted; iii) if not directly resulting from a legal imposition, non-executive director remunerations should exclusively consist of a fixed amount.

Adopted

2.1.5.2 The remunerations committee and the administrative body should submit a remunerations policy statement relative to administrative and supervisory bodies, as well as remaining directors, as per no. 3 of article 248-B of the Securities Code, for approval by the general annual meeting of shareholders. In this context, criteria and main parameters proposed for performance evaluation, used in determining the variable component, whether consisting of share bonuses, share acquisition options, annual bonuses or other elements, should be explained to shareholders.

Not adopted

2.1.5.3 At least one representative of the remunerations committee should attend general annual meetings of shareholders.

Adopted

2.1.5.4 The proposal relative to approval of share attribution plans and/or share acquisition options or plans based on share price evolution for administrative and supervisory body members, as well as other directors, as per no. 3 of article 248-B of the Securities Code, should be submitted to the general meeting for approval. This proposal should include all necessary elements for correct plan evaluation. The proposal should be accompanied by plan regulations or, if the plan has not yet been elaborated, general conditions it should follow. In a similar manner, the main characteristics of the retirement benefits system applicable to administrative and supervisory body members, as well as other directors, as per no. 3 of article 248-B of the Securities Code, should be approved by the general meeting.

Adopted

2.1.5.5 Administrative and supervisory body member remunerations should be annually divulged, on individual terms, including itemisation of the different fixed and variable remuneration components, as well as remunerations received from other group companies or companies controlled by qualified shareholders.

Not adopted

2.2. Board of Directors

2.2.1 Within the limits established by law for each administrative and supervisory structure, unless unviable due to reduced company dimension, the board of directors should delegate everyday company administration; delegated competences should be identified in the annual Corporate Governance report.

Adopted

2.2.2 The board of directors should ensure the company acts consistently with its objectives and should not delegate its competences regarding the following: i) definition of the general company strategy and policies; ii) definition of the group corporate structure; iii) decisions considered strategic due to the amount involved, risk or special characteristics.

Adopted

2.2.3 If the chairman of the board of directors has executive functions, the board of directors should find efficient mechanisms to coordinate the work of non-executive members, ensuring the latter are able to make decisions, in an independent and informed manner; an explanation of these mechanisms should be provided to shareholders in the corporate governance report.

Adopted

2.2.4 The annual management report should include a description of the activities developed by non-executive directors, referring eventual constraints encountered.

Adopted

2.2.5 The administrative body should promote rotation of the member with financial functions, at least every two mandates.

Not adopted

2.3 Delegate Director, Executive Committee and Executive Board of Directors

2.3.1 Executive directors should provide any information requested by other corporate body members, in an adequate and timely manner.

Adopted

2.3.2 The chairman of the executive committee should send the corresponding meeting calls and minutes to the chairman of the board of directors and, as applicable, the chairman of the fiscal board or the audit committee, respectively.

Adopted

2.3.3 The chairman of the executive board of directors should send the corresponding meeting calls and minutes to the chairman of the general and supervisory board and the chairman of the financial committee, respectively.

Adopted

2.4. General and Supervisory Board, Financial committee, Audit Committee and Fiscal Board

2.4.1 The general and supervisory board, in addition to fulfilling the supervisory functions assigned, should have an advisory role, as well as following and continuously evaluating company management by the executive board of directors. The following should be included amongst the matters regarding which the general and supervisory board should issue its opinion: i) definition of the general company strategy and policies; ii) definition of the group corporate structure; iii) decisions considered strategic due to the amount involved, risk or special characteristics.

Adopted

2.4.2 Annual reports on general and supervisory board, financial committee, audit committee and fiscal board activities should be divulged on the company website, together with accounts documents.

Adopted

2.4.3 Annual reports on general and supervisory board, financial committee, audit committee and fiscal board activities should include a description of supervisory activities developed, namely referring eventual constraints encountered.

Adopted

2.4.4 The financial committee, the audit committee and the fiscal board, according to the applicable model, should represent the company, regarding all purposes, before the external auditor, being also responsible for proposing the provider of these services and the corresponding remuneration, ensuring that adequate conditions for provision of these services exist in the company and constituting the company representative and the first recipient of the corresponding reports.

Adopted

2.4.5 The financial committee, the audit committee and the fiscal board, according to the applicable model, should evaluate the external auditor on an annual basis, as well as propose the corresponding dismissal whenever there is just cause.

Adopted

2.5. Specialised Committees

2.5.1 Unless this is impossible due to reduced company dimension, the board of directors and the general and supervisory board, according to the model adopted, should create all necessary committees to: i) ensure competent and independent evaluation of executive director performance and own global performance, as well as that of the various existing committees; ii) reflect upon the adopted governance system, verify its efficacy and propose improvement measures to the competent bodies.

Not adopted

2.5.2 Members of the remunerations committee or equivalent should be independent from administrative body members.

Not adopted

2.5.3 All committees should elaborate minutes of all meetings.

Adopted

3. INFORMATION AND AUDIT

3.1 General Information Duties

3.1.2 Companies should ensure constant contact with the market, respecting the principle of equal shareholder rights and preventing asymmetries in information access by investors. For this purpose, companies should maintain an investor support office.

Adopted

3.1.3 The following information, available on the company website, should be divulged in English:

a) Company name, public company status, headquarters and the remaining elements referred in article 171 of the Commercial Company Code;

Adopted

b) Articles of Association;

Adopted

c) Identity of corporate body members and the market relations representative;

Adopted

d) Investor Support Office, functions and access;

Adopted

e) Accounts documents;

Adopted

f) Half-year corporate events calendar;

Adopted

g) Proposals presented for discussion and voting by the general meeting;

Not adopted

h) General meeting calls.

Not adopted

07.0.3 When the corporate governance structure or practices differ from CMVM recommendations or other codes applicable to the company, or which the latter has voluntarily adopted, code parts not complied with should be indicated, as well as the corresponding reasons.

CMVM recommendations not complied with:

1.3.3 – The company contract foresees 1 vote for each 100 shares. The Board of Directors considers that this statutory demand does not result in smaller shareholder participation in General Meetings. The company stock-split, occurred during the financial year of 2007, made acquisition of the minimum number of shares less expensive, thereby simplifying shareholder participation in General Meetings.

1.5.1 – Measures will be taken to make minutes and attendance lists available on the company website, within 5 days, from the next General Annual Meeting, to take place in 2008.

2.1.1.2 – Despite the lack of a systemised risk detection policy, point II.4. of Chapter II of the present report describes the most important aspects of risk management policies implemented in the company.

2.1.5.2 – This recommendation will be followed from the next General Annual Meeting, to take place in 2008.

2.1.5.5 – IMPRESA does not follow the recommendation relative to annual divulgation of remunerations on individual terms, since it considers this information not to be relevant to accounts analysis, as well as considering that making this information publicly available does not represent added value to the shareholders. This information will be duly provided to any shareholder requesting it, at the General Meeting headquarters.

2.2.5 – Given the current dimensions of the Board of Directors and the Executive Committee, IMPRESA has not been following this recommendation. In the next General Annual Meeting, to take place in 2008, a proposal to widen the Board of Directors will be presented, which will consequently promote rotation of the executive member with financial functions.

2.5.1 – Given the current dimension of the Board of Directors, IMPRESA does not follow the first part of the recommendation relative to the existence of a committee to evaluate the performance of the Board and executive members. Regarding governance model analysis, IMPRESA does not follow the recommendation relative to the formal existence of a specific committee; however, two members of the Board of Directors have Corporate Governance functions, which include being attentive to developments on this matter and proposing alterations to the adopted model, if necessary and/or opportune.

2.5.2 – IMPRESA does not follow this recommendation in full; however, the majority of Remunerations Committee members, including the corresponding chairman, are independent, which ensures the independence of decisions made.

3.1.3.g) – This recommendation will be followed from the next General Annual Meeting, to take place in 2008.

3.1.3.h) – This recommendation will be followed from the next General Annual Meeting, to take place in 2008.

07.0.4

The corporate body or commission in question should judge the independence of each of its members, at any time, as well as justify its evaluation before shareholders, through a statement included in the corporate governance report, both by occasion of appointment or when any circumstances occur that may determine loss of independence.

Following appointment of any corporate body member considered independent, confirmation of this situation will be required from the member in question, through written statement regarding compliance with independence rules. From 2008 onwards, this statement will be requested on an annual basis, in order to confirm the absence of any circumstances determining loss of independence.

07.1

Chapter 1 - General Meeting

1.1. Identification of general meeting board members.

The General Meeting Board is composed of the following members:
Chairman: Dr. José Pedro Correia de Aguiar-Branco
Secretary: Dr. Maria de Deus Maio Madalena Botelho

1.2. Indication of corresponding mandate start and end dates.

The Chairman of the General Meeting Board, Dr. José Pedro Correia de Aguiar-Branco, was elected during the General Meeting of the 21st April 2006, for the four-year period in course (2003/2006). During the General Meeting of the 12th April 2007, he was re-elected for the four-year period of 2007-2010.

The Secretary, Dr. Maria de Deus Maio Madalena Botelho, was elected during the General Meeting of the 12th April 2007, for the four-year period of 2007-2010

1.3. Indication of the remuneration of the chairman of the general meeting board.

The Chairman of the General Meeting Board earned the amount of 3,233 euros for the exercise of his functions during the financial year of 2007.

1.4. Indication of the share depositing or blocking advance period required for participation in the general meeting.

In order to be able to participate in the General Meeting, shareholders must have held shares for a minimum period of 5 working days before the date of the General Meeting, as well as maintain this ownership until this date.

Proof of shareholding will be done through sending of a statement, issued and authenticated by the financial broker responsible for share registration, which should refer that these shares have been registered in the holder's account for at least 5 working days before the date of the General Meeting and that blocking of these shares until the date of the General Meeting in question has been performed, to the Chairman of the Board of Directors, at least three days before the date of the General Meeting. Shareholders will be responsible for this communication, or the company itself, for company-registered shares.

1.5. Indication of applicable rules to share blocking in case the general meeting is suspended.

No rules have been defined for this situation.

1.6. Number of shares corresponding to one vote.

According to the IMPRESA company contract, attendance and participation in General Meetings of shareholders and attribution of voting rights depend on a minimum shareholding of 100 shares, 1 vote corresponding to 100 IMPRESA shares, without detriment to representation and grouping rights, under the following terms:

- shareholders holding less than 100 shares may group until the 100-share minimum is reached, in order to participate in the General Meeting; shareholder groups should be represented by a group member;
- shareholder groups constituted under the terms of the previous paragraph should indicate group composition and the identity of their representative, in a letter addressed to the Chairman of the General Meeting Board, at least 3 working days before the date scheduled for the General Meeting;
- any individual member may be voluntarily represented, in a General Meeting, by a different member, a member of the Board of Directors or any person allowed by law; legal persons may be represented by the person appointed by letter for this purpose;
- a signed letter, addressed to the Chairman of the General Meeting Board, delivered to the company at least 3 working days before the date scheduled for the General Meeting, is sufficient as an instrument of voluntary representation of members in a General Meeting;
- no limit exists to the number of votes held by any shareholder, whether in person or representing other shareholder(s).

1.7. Existence of statutory rules regarding exercise of voting rights, including constitutive and deliberative quorum numbers or systems relative to asset composition rights.

No statutory rules exist regarding constitutive and deliberative quorum numbers; General Meetings follow the rules foreseen in the Commercial Company Code.
In a similar way, no statutory rules exist regarding systems relative to asset composition rights.

1.8. Existence of statutory rules regarding exercise of voting rights by correspondence.

Voting by correspondence is allowed, on the following terms:

a) shareholders wishing to exercise their voting rights by correspondence should do so regarding all points in the Agenda included with the General Meeting call notice, by expressly and clearly casting their votes;

b) voting slips must be signed; signatures should be legally recognised as belonging to persons wielding the necessary powers to vote; in the case of individual shareholders, signatures should be accompanied by a legible copy of the corresponding identity cards.

c) voting slips must be enclosed in an envelope with the following note: "CONTAINS VOTING SLIPS REGARDING AGENDA POINTS";

d) the envelope containing voting slips should be handed or sent to the company headquarters, via registered post, with recorded delivery, together with a letter addressed to the Chairman of the General Meeting Board; this letter, written according to a template to be provided by the company, should be received by the day before the date of the General Meeting;

e) votes sent by correspondence will be considered as votes against any deliberation proposals presented after they are cast.

1.9. Provision of a template for the exercise of voting rights by correspondence.

The company provides a template for the exercise of voting rights by correspondence, according to the rules described in the previous point.

1.10. Existence of a mandatory time interval between reception of voting slips sent by post and the date of the general meeting.

According to section d) of the rules described in point I.8, the letter including voting slips should be handed or sent via registered post, with recorded delivery, by the day before the date of the General Meeting.

1.11. Exercise of voting rights by electronic means.

Exercise of voting rights by electronic means is not foreseen.

1.12. Information on general meeting intervention regarding company remuneration policies and administrative body member performance evaluation.

In 2007, the General Meeting did not intervene in company remuneration policies. In 2008, the Remunerations Committee will provide information on adopted criteria to set remuneration amounts for the financial year in question.

1.13. Indication of defensive measures that automatically cause severe erosion in company assets in case of change of control or administrative body composition.

No defensive measures exist that automatically cause severe erosion in company assets in case of change of control or administrative body composition.

1.14. Significant agreements involving the company that come into effect, are altered or cease in case of change of control, as well as the corresponding effects, except if, due to their nature, the corresponding divulgation is severely detrimental to the company, unless the latter is specifically obliged to divulge this information, due to legal impositions.

No significant agreements involving the company that come into effect, are altered or cease in case of change of control, as well as the corresponding effects, exist.

1.15. Agreements between the company and administrative body members or directors, as per no. 3 of article 248-B of the Securities Code, that foresee payment of compensation amounts in case of resignation, dismissal without just cause or cessation of functions, following change of company control.

No agreements exist between the company and administrative body members or directors, as per no. 3 of article 248-B of the Securities Code, that foresee payment of compensation amounts in case of resignation, dismissal without just cause or cessation of functions, following change of company control.

07.2

Chapter 2 - Administrative and Supervisory Bodies

2.1. Identification and composition of corporate bodies.

In addition to the General Meeting Board, whose composition was already described in I.1, corporate bodies include the Board of Directors, which comprises an Audit Committee and a Statutory Auditor, elected by majority of votes cast during the General Meeting of shareholders.

Corporate body mandates have the duration of four years, their re-election for successive four-year periods being allowed, without detriment to the limitations imposed by law to companies issuing negotiable securities in regulated markets.

The composition of the Board of Directors for the current mandate (2007-2010) is the following:

Chairman: Dr. Francisco José Pereira Pinto de Balsemão

Vice-Chairman: Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos

Voting Members (a): Eng. Francisco Maria Supico Pinto Balsemão
Dr. Alexandre de Azeredo Vaz Pinto
Dr. Antônio Soares Pinto Barbosa
Dr. Miguel Luís Kolback da Veiga

(a) - Director Dr. Manuel Guilherme Oliveira da Costa resigned from his position on the 19th December 2007, the Board of Directors having elected Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia to occupy the positions left open by his resignation, during a meeting held on the 28th January 2008.

STATUTORY AUDITOR

Deloitte & Associados, SROC, SA

Substitute: Luís Augusto Gonçalves Magalhães (ROC)

As previously referred, on point 0.3. of the present report, two members of the Board of Directors hold Corporate Governance functions. Within the scope of their functions, these members perform continuous analysis and follow-up of developments on this matter, in the sense of proposing alterations to the adopted model, if necessary and/or opportune. Up to the present date, the existing model has been considered adequate to the structure of IMPRESA and no operational constraints have been recognised.

2.2. Identification and composition of other committees with administrative or supervisory competences.

Two committees exist with administrative or supervisory competences: the Executive Committee and the Audit Committee.

These Committees are composed as follows:

Executive Committee

Chairman: Dr. Francisco José Pereira Pinto de Balsemão

Vice-Chairman: Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos

Voting Member: Eng. Francisco Maria Supico Pinto Balsemão

Audit Committee

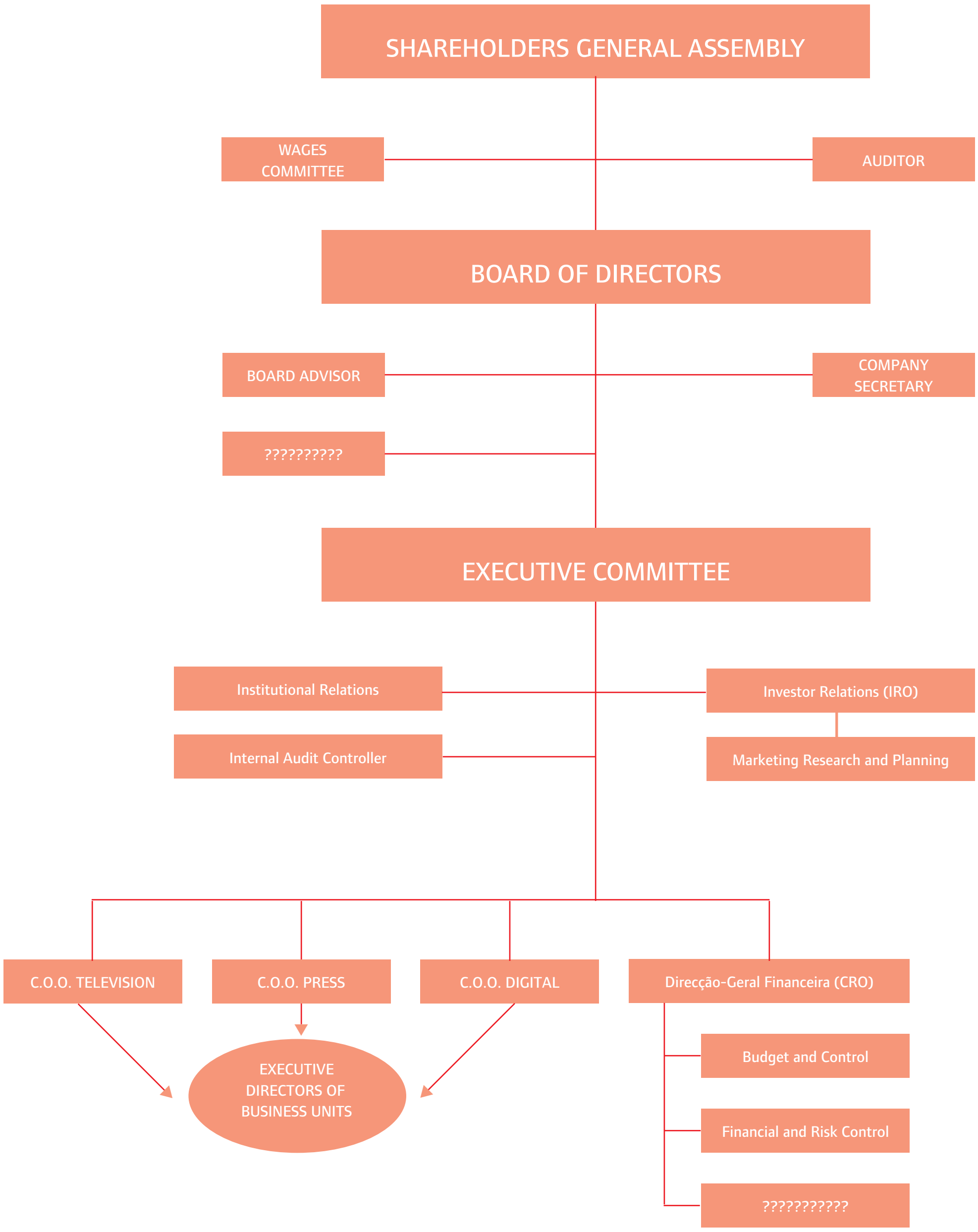
Chairman: Dr. Alexandre de Azeredo Vaz Pinto

Voting Member (a): Dr. Antônio Soares Pinto Barbosa

(a) - Director and voting member of the Audit Committee Dr. Manuel Guilherme Oliveira da Costa resigned from his position on the 19th December 2007, the Board of Directors having elected Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia to occupy the positions left open by his resignation, during a meeting held on the 28th January 2008.

2.3. Operational charts or maps relative to competence distribution between the various corporate bodies, committees and/or company departments, including information on the scope of delegation of competences and distribution of functions amongst corporate and supervisory body members and list of matters that cannot be delegated.

GROUP IMPRESA ORGANIZATION CHART



DISTRIBUTION OF EXECUTIVE COMMITTEE FUNCTIONS

Editorial/Contents	Dr. Francisco José Pereira Pinto de Balsemão
Corporate Governance, Social Responsibility, Ethics and Environment	Dr. Francisco José Pereira Pinto de Balsemão and Eng. Francisco Maria Supico Pinto Balsemão
Market and Institutional Relations	Dr. Francisco José Pereira Pinto de Balsemão and Eng. Francisco Maria Supico Pinto Balsemão
Strategic Development and New Businesses	Dr. Francisco José Pereira Pinto de Balsemão and Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos
Human Resources	Dr. Francisco José Pereira Pinto de Balsemão and Eng. Francisco Maria Supico Pinto Balsemão
Commercial and Marketing	Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos
Finance and Management Control	Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos and Eng. Francisco Maria Supico Pinto Balsemão
Technologies and Information Systems	Eng. Francisco Maria Supico Pinto Balsemão
Risk Management	Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos

MATTERS THAT CANNOT BE DELEGATED

The following matters cannot be delegated by the Board of Directors:

a) election of directors;

b) requests to call general meetings;

c) approval of annual reports and accounts;

d) provision of deposits or personal or real guarantees by the company;

e) change of headquarters under the terms foreseen in the company contract;

f) company merger, spin-off and transformation projects.

2.4. Description of internal control and risk management systems implemented in the company, namely relative to the financial information divulgation process.

a) The General Finance Direction has been developing the following risk control aspects:
- negotiation, contracting and management of bank financing, in order to meet IMPRESA Group financial needs;
- supervision, through adequate financial instruments, with the purpose of reducing exposure to interest and exchange rate risks;
- supervision of insurance contracting, on the IMPRESA Group level, in order to achieve the most adequate solutions to cover insurable risks;

b) On the level of operational subsidiaries, applicable legislation to the corresponding sector is followed (TV Legislation, Press Legislation, AACS Legislation, Advertising Legislation), in collaboration with the Direction of Development and Institutional Relations, in the sense of minimizing non-compliance risks.

c) Also on the level of operational subsidiaries, plans relative to external situations that may affect current company operation, namely fires, production stoppages, broadcasting failures, IT system faults, etc., have been established and implemented, with the objective of safeguarding people and goods, as well as ensure, as much as possible, production continuity regarding not only newspapers and magazines but also digital and television activities.

d) The Executive Committee, in coordination with the Audit Committee and external auditors, regularly analyses and supervises financial information elaboration and divulgation, in the sense of preventing undue, extemporaneous access to relevant information by third parties.

2.5. Administrative body powers, namely regarding capital increase deliberations.

The Board of Directors is responsible for the widest management powers, practicing all acts and exercising all functions relative to relevant company matters, especially:

a) company representation, active and passive, in judgment or not;

b) negotiation and signature of all contracts, including arbitration conventions, in which the company is involved, regardless of their scope and nature, as well as form;

c) acquisition, sale, charging or any other company asset transactions;

d) contracting of loans, as well as provision of the necessary guarantees, regardless of the corresponding amount and nature;

e) confessions, discontinuance or transactions relative to any judicial proceeding;

f) constitution of company representatives, regardless of representation scope and duration;

g) delegation of particular functions and powers on any director, within the scope established in the corresponding deliberation.

Regarding capital increase deliberations, no powers are defined in the company contract for the Board of Directors, this being an exclusive matter of the General Meeting.

2.6. Indication regarding the existence of corporate body operational regulations or other rules concerning internally defined incompatibilities and maximum number of compound positions, as well as the location where these may be found.

Operational regulations exist for the Board of Directors, the Executive Committee and the Audit Committee, which may be consulted on the company website.
Regarding incompatibilities, no list has been internally defined by the administrative body and no maximum number of positions directors may compound in administrative bodies from other companies exists.

2.7. Applicable rules to appointment and replacement of administrative and supervisory body members.

The General Meeting is responsible for appointing administrative and supervisory body members at the beginning of each mandate.

Regarding replacement of a director, this will be done by election, within sixty days, or by appointment by the Audit Committee, if no election takes place; in the latter case, selection will be ratified in the following General Meeting, which will be valid until the end of the period for which the director had been elected.
Regarding the Statutory Auditor, this element will be replaced by their substitute.

2.8. Number of administrative and supervisory body meetings, as well as meetings of other committees with administrative and supervisory competences during the financial year in question.

The number of administrative and supervisory body meetings during the financial year of 2007 was the following:

Board of Directors	8 meetings
Executive Committee	15 meetings
Audit Committee	4 meetings

2.9. Identification of members of the board of directors, as well as members of other committees constituted within the former, including differentiation between executive and non-executive members, as well as indication of members complying with the incompatibility rules foreseen in no. 1 of article 414-A of the Commercial Company Code, with the exception of section b) and the independence criterion foreseen in no. 5 of article 414, both included in the Commercial Company Code.

Executive Members:

Dr. Francisco José Pereira Pinto de Balsemão – *Chairman of the Board of Directors and of the Executive Committee*

Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos – *Vice-Chairman of the Board of Directors and of the Executive Committee*

Eng. Francisco Maria Supico Pinto Balsemão – *Voting Member of the Board of Directors and of the Executive Committee*

Non-Executive Members (a):

Dr. Alexandre de Azeredo Vaz Pinto – *Voting Member of the Board of Directors and Chairman of the Audit Committee*

Dr. Antônio Soares Pinto Barbosa – *Voting Member of the Board of Directors and of the Audit Committee*

Dr. Miguel Luís Kolback da Veiga – *Voting Member of the Board of Directors*

(a) – Non-executive director and voting member of the Audit Committee Dr. Manuel Guilherme Oliveira da Costa resigned from his position on the 19th December 2007, the Board of Directors having elected Dr. Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia to occupy the positions left open by his resignation.

All non-executive members comply with the incompatibility rules foreseen in no. 1 of article 414-A of the Commercial Company Code, with the exception of section b) and the independence criterion foreseen in no. 5 of article 414, both included in the Commercial Company Code.

2.10. Professional qualifications of the members of board of directors, indication of their professional activities, at least during the previous five years, number of company shares held and dates of first appointment and end of mandate.

* **Dr. Francisco José Pereira Pinto de Balsemão – 2,275,840 shares held on 31.12.07**

First appointment to the position of Chairman of the Board of Directors on 18/10/90. The current mandate corresponds to 2007-2010.

Chairman of the Advisory Board of "Banco Privado Português", member of the Steering Committee of Bilderberg Meetings, chairman of the Jury of the Pessoa Award (since 1987), member of the Jury of the Prince of Asturias International Cooperation Award, chairman of the European Publishers Council (since 1999), member of the "Consejo de Protectores" of the "Fondación Carolina" (since 2001), member of the General Board of "COTEC Portugal – Associação Empresarial para a Inovação" (since April 2003), member of the International Consulting Board of the Santander Group (since 2004), member of the Board of Curators of the Portuguese-Brazilian Foundation (since April 2004), member of the State Council (since May 2005) and member of the Advisory Board of the University of Lisbon (since December of 2006).

Was an associate professor (1987-2002) at the School of Social and Human Sciences (UNL), Chairman (1990-1999) of the Board of Directors of the European Institute for the Media, Chairman (1997-2003) of the European Television and Film Forum, organised by the European Institute for the Media, on an annual basis, vice-chairman (1995-2003) of the "Journalistes en Europe" Foundation and member (1999-2002) of the Global Business Dialogue executive committee.

Has a Law Degree by the Lisbon Law School (Faculdade de Direito de Lisboa – FDL), having also attended a complementary Political and Economic Science course at the FDL. Worked as a journalist, management secretary (1963-65) and director (1965-71) of the "Diário Popular" newspaper. Was the founder and director of the "EXPRESSO" newspaper (1973-80), a founder of the Social Democrat Party (1974), parliament member and vice-chairman of the Constitutional Parliament (1975), Parliament Member in 1979, 1980 and 1985, Assistant

Minister of State for the 6th Constitutional Government (1980) and Prime Minister for the 7th and 8th Constitutional Governments (1981-83).

* **Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos – 10,000 shares held on 31.12.07**

First appointment to the position of member of the Board of Directors on 18/10/90. The current mandate corresponds to 2007-2010.

Graduate Farming Engineer, having attended the Gembloux Farming Institute, in Belgium. In the industry sector, occupied the position of Manager of the "Grupo Sociedade Nacional de Sabões". In the advertising area, was part of the Direction of CIESA N.C.K., in Portugal and Spain. Was a member of the board of directors of the Portuguese Advertising Agency Association and the Advertising Board.

Member of the Media area of "Foro Iberoamerica".

* **Eng. Francisco Maria Supico Pinto Balsemão – 8,246 shares held on 31.12.07**

First appointment to the position of member of the Board of Directors on 05/02/01. The current mandate corresponds to 2007-2010.

Has a Degree in Electrical and Computer Engineering, Telecommunications and Electronics Branch, from the "Instituto Superior Técnico - I.S.T." (Higher Technical Institute) of the Technical University of Lisbon.

Post-Graduation Course in Telecommunications Business Management (1998/99) from the "ISTP - Instituto Superior de Transportes" (Higher Transports Institute), organised by the ISTP, "APDC - Associação Portuguesa para o Desenvolvimento das Comunicações" (Portuguese Association for Communications Development) and the Enterprise Institute of Madrid.

Participation and conclusion of the EJE Programme – "Engenheiro Jovem Empresário" (Young Enterprising Engineer (1993/1994), promoted by the State Secretariat for Youth, Junitec (Junior Enterprises of the Higher Technical Institute) and the ITEC ("Instituto Tecnológico para a Europa Comunitária" – Technological Institute for the European Community).

Occupied the positions of International Business and Roaming Director (between October 1997 and March 2000), Product Manager at the Department of Products and Services for the Corporate Market of the Direction of Products and Services Development and Management (between April 1997 and October 1997) and Project Manager at the Department of Products and Services Innovation and Development of the Direction of Communication and Marketing (between December 1995 and April 1997) at "TMN - Telecomunicações Móveis Nacionais, S.A."

Was a voting member of the Direction of the "AAAIST - Associação dos Antigos Alunos do Instituto Superior Técnico", in 2000-2002, and chairman of the corresponding Communication and Image Committee, from 1995 to 2000. Was a member of the National Direction of the "APIGRAF - Associação Portuguesa das Indústrias Gráficas, de Comunicação Visual e Transformadoras do Papel" (Portuguese Association of Graphic, Visual Communications and Paper Industries), in 2005-2007 (representing "Imprejornal, Sociedade de Impressão, S.A.").

Has been a voting member of the "APDC - Associação Portuguesa para o Desenvolvimento das Comunicações" (Portuguese Association for Communications Development) since 2001, vice-chairman of the Executive Committee of the National Direction of the "ANJE - Associação Nacional de Jovens Empresários" since 2003, member of the Direction of the "ACEP - Associação do Comércio Electrónico em Portugal" since November 2005 (having been the Director of its B2C Specialised Group between 2001 and 2005), member of the Direction of the "AIP/CE – Associação Industrial Portuguesa/Confederação Empresarial" since 2007, substitute voting member of the Direction of the "API – Associação Portuguesa de Imprensa" since 2007, member of the General Board of the "APDSI - Associação para a Promoção e Desenvolvimento da Sociedade de Informação", liaison element between IMPRESA, SGPS and "COTEC Portugal - Associação Empresarial para a Inovação" and member of the Executive Committee of Civil Movement "Novo Portugal – Opções de uma Geração" (New Portugal – Options of a Generation).

He is a member of the Advisory Board of RTP's channel 2 (representing the ANJE), an observing member of the Advisory Board of the "ICP/ANACOM – Autoridade Nacional das Comunicações", member of the jury that evaluates Professional Aptitude Tests for the Telecommunications Technician courses taught by the "INETE – Instituto de Educação Técnica" and the "EPET – Escola Profissional de Electrónica e Telecomunicações" (Professional Electronics and Telecommunications School) (representing APDC), member of the Iberian Advisory Board of American technological multinational SUN Microsystems, member of the Iberian Advisory Board of Thomson Aranzadi, a Spanish publisher of specialised contents for the juridical market, owned by Canadian multinational Thomson (world leader in providing specialised contents for juridical, fiscal, financial and science professionals) and senior advisor for Portugal of the Investment Banking Division of North American multinational bank Lehman Brothers.

* **Dr. Alexandre de Azeredo Vaz Pinto – 140 shares held on 31.12.07**

First appointment to the position of member of the Board of Directors on 15/05/00. The current mandate corresponds to 2007-2010.

Has an Economics Degree by the "Instituto Superior de Ciências Económicas" (Higher Economic Sciences Institute), obtained in 1961.

Was vice-chairman of "Caixa Geral de Depósitos" (1996), non-executive director of "Brisa" (1998), chairman of the Board of Directors of "SIBS, SA" (1996), chairman of the Board of Directors of "Caixa Investimentos" (1996), non-executive director of "UNICRE" (1996), president of "Banco Espírito Santo e Comercial de Lisboa", by appointment by the Council of Ministers (1986), vice-chairman of the aforementioned Bank (1992), vice-governor of the Bank of Portugal, by appointment by the Council of Ministers (1982), chairman of the Board of Directors of the Foreign Investment Institute, by appointment by the Council of Ministers (1977), Minister of Commerce and Tourism (between January and September 1981), chairman of the Board of Directors of the Foreign Investment Institute, resuming his former position, president of the Portuguese Financial Society, by appointment by the Council of Ministers (between 1974 and 1979), Secretary of State for Commerce, by appointment from the 11th August 1972, having, within the scope of this position, performed the functions of president of the Portuguese Delegation of the EFTA Council of Ministers, in the sessions taking place in November 1972 and May 1973, in Vienna and Geneva, respectively, having chaired the proceedings of the latter; he participated also in several GATT and OECD ministerial meetings. Was Sub-secretary of State for Commerce, by appointment from the 15th January 1970, position he occupied until the 11th August 1972. Was Director of "Banco Nacional Ultramarino", by appointment from September 1968. Worked in the Prime Minister's Technical Secretariat, having collaborated in the elaboration of the Third Development Plan. Collaborated, as Technician of the Industrial Economy Department of the National Industrial Research Institute, in the elaboration of the first Portuguese inter-industrial relations matrix. Was subsequently involved in the study and elaboration of Development Plans, having worked at the Ministry of Economy, in collaboration with a group of economists, in industrial sector programme elaboration for the Intermediate Development Plan, on a first stage, having subsequently integrated the Secretariat, at the Prime Minister's Office.

Was Chief of the Study and Coordination Department of the Portuguese Oil Company, BP.

Throughout his professional career, he has worked as a consultant for several organisations, namely CIP, where he collaborated in the elaboration of an Investment Guide; as a consultant for the Transports and Tourism Corporation, he participated in the elaboration of the Tourism Sector programme for the Third Development Plan.

* **Dr. António Soares Pinto Barbosa – no shares held on 31.12.07**

First appointment to the position of voting member of the Board of Directors on 12/04/07, for 2007-2010.

Has a Finance Degree, from the "Instituto Superior de Ciências Económicas e Financeiras", of the Technical University, obtained in 1966.

He is an Economics Professor at the New University of Lisbon.

Member of the Advisory Board of "Banif"

– Chairman of the Fiscal Board of "Banco Privado Português"

– Voting Member of the Fiscal Board of the Champalimaud Foundation

* **Dr. Miguel Luís Kolback da Veiga – no shares held on 31.12.07**

First appointment to the position of member of the Board of Directors on 23/12/04. The current mandate corresponds to 2007-2010.

Has a Law Degree, obtained in 1959, from the Law School of the University of Coimbra, having practised forensic and advisory law for 46 years, as an independent worker, mainly in the areas of civil and commercial law.

Is a member of the UIA – International Association of Lawyers, having participated in several Congresses, a founding member of the "Dr. Mário Soares Foundation" and the "O Lugar do Desenho - Júlio Resende Foundation", member of the European Movement and of the Cultural Board of the "Eça de Queirós Foundation", Chairman of the Toponymics Commission of Porto, member of the Advisory Board of "Porto Vivo – Sociedade de Reabilitação Urbana", member of the Founders Council of the "Júlio Pomar Foundation", Chairman of the General Meeting of the "Interposto Comercial e Industrial do Norte", Chocolate Factory "Imperial" (RAR group), the "Associação de Amigos do Coliseu do Porto", the Foz Lawn Tennis Club and companies "Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, SA" and "Aplicação Urbana II – Investimento Imobiliário, SA".

Was elected a member of the National Supreme Council and the Porto District Council of the Portuguese Lawyers Association and President of the Cultural Council of the Portuguese Lawyers Association; was elected a member of the Supreme Magistrates' Council, by the Parliament, and is the National Vice-President of the Portuguese Red Cross and member of the Portuguese Honours Chancellery.

Has been a member of the jury of the various "Pessoa Awards", since their foundation.

Integrated the group of founders of political party PPD, currently PSD, having participated in the elaboration of its programme and corresponding promotion, divulgation and establishment in 1974-75, having been elected to the Parliament by the electoral district of Porto, as well as having been elected a member of the first National Political Committees of PPD, several of its National Councils and Vice-president of "PSD - Partido Social Democrata" (Social Democrat Party).

Was chosen by the Council of Ministers to represent Portugal in a seminar on "Non-judicial means of protection and promotion of Human Rights", organised by the European Council, which took place in Sienna, Italy (1982).

Was a delegate of former President Dr. Mário Soares and of the Social Democrat Party, during the presidential and general elections, respectively, and of Dr. Rui Rio, during the two latest municipal elections in Porto.

Was a founding member of the "A Comunidade contra a Sida" Foundation;

2.11. Functions performed by administrative body members in other companies, including itemisation of functions performed in other group companies.

* **Dr. Francisco José Pereira Pinto de Balsemão**

Functions performed in other companies:

a) Group Companies

Chairman of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, SA

Chairman of the Board of Directors of IMPRESA JORNAIS – Sociedade Gestora de Participações Sociais, SA

Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, SA

Chairman of the Board of Directors of SOINCOM – Sociedade Gestora de Participações Sociais, SA

Chairman of the Board of Directors of SOJORNAL – Sociedade Jornalística e Editorial, SA

Chairman of the Board of Directors of SOLO – Investimentos em Comunicação, SGPS, SA

Manager of EDIMPRESA – Editora, Lda.

Manager of IMPRESA CLASSIFICADOS – Publicidade, Lda.

Manager of MEDIA ZOOM – Produção Multimédia (Impresa Digital), Lda.

b) Non-Group Companies

Non-executive Chairman of the Board of Directors of Nec Portugal, SA

Non-executive Director of the Daily Mail and General Trust plc

Manager of Sociedade Francisco Pinto Balsemão, Lda.

Manager of Sociedade Turística da Carrapateira, Lda.

* **Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos**
Functions performed in other companies:

a) Group Companies

Vice-Chairman of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, SA

Vice-Chairman of the Board of Directors of IMPRESA JORNAIS – Sociedade Gestora de Participações Sociais, SA

Vice-Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, SA

Director of SOJORNAL – Sociedade Jornalística e Editorial, SA

Manager of EDIMPRESA – Editora, Lda.

Manager of GMTS – Global Media Technology Solutions – Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda.

Manager of IMPRESA CLASSIFICADOS – Publicidade, Lda.

Manager of MEDIA ZOOM – Produção Multimédia (Impresa Digital), Lda.

Manager of PÁGINAS LONGAS – Sociedade Jornalística e Editorial, Lda.

b) Non-Group Companies

Director of BPP – Banco Privado Português, SA

Manager of Sociedade Agrícola da Carregueira do Mato, Lda.

* **Eng. Francisco Maria Supico Pinto Balsemão**
Functions performed in other companies:

a) Group Companies

Chairman of the Board of Directors of SIC IN DOOR – Gestão de Suportes Publicitários, SA

Director of IMPREGER – Sociedade Gestora de Participações Sociais, SA

Director of IMPRESA JORNAIS – Sociedade Gestora de Participações Sociais, SA

Director of INFOPORTUGAL – Sistemas de Informação e Conteúdos, SA

Director of PTDP – Plataforma de Televisão Digital Portuguesa, SA

Director of SIC – Sociedade Independente de Comunicação, SA

Director of SOINCOM – Sociedade Gestora de Participações Sociais, SA

Director of SOJORNAL – Sociedade Jornalística e Editorial, SA

Director of SOLO – Investimentos em Comunicação, SGPS, SA

Manager of IMPRESA CLASSIFICADOS – Publicidade, Lda.

Manager of IMPRESA.COM – Publicidade e Projectos Especiais, Lda.

Manager of INTERJORNAL – Sociedade Jornalística e Editorial, Lda.

Manager of MEDIA ZOOM – Produção Multimédia (Impresa Digital), Lda.

Manager of MEDIPRESS – Sociedade Jornalística e Editorial, Lda.

Manager of N.M.D.C. – New Media Digital Contents – Gestão de Conteúdos, Lda.

Manager of PUBLISURF – Edições e Publicidade, Lda.

Manager of SIC ON LINE – Comunicação e Internet – Sociedade Unipessoal, Lda.

b) Non-Group Companies

Non-executive Director of COMPTA – Equipamentos e Serviços de Informática, SA

Manager of ENCOREXPERT – Investments, SGPS, Lda.

* **Dr. Alexandre de Azeredo Vaz Pinto**

Functions performed in other companies:

Non-Group Companies

Non-executive Director of Solvay Portugal – Produtos Químicos, SA

* **Dr. António Soares Pinto Barbosa**

Functions performed in other companies:

Non-Group Companies

Chairman of the Fiscal Board of Banco Privado Português

Voting Member of the Fiscal Board of the Champalimaud Foundation

* **Dr. Miguel Luís Kolback da Veiga**

Functions performed in other companies:

Non-Group Companies

Director of Companhia de Seguros Tranquilidade

Director of the Casa de Mateus Foundation

Chairman of the Fiscal Board of the Condes de Campo Bello Foundation

2.12. Identification of fiscal board members, including indication of members complying with the incompatibility rules foreseen in no. 1 of article 414-A and the independence criterion foreseen in no. 5 of article 414, both included in the Commercial Company Code.

Not applicable.

2.13. Professional qualifications of fiscal board members, indication of their professional activities, at least during the previous five years, number of company shares held and dates of first appointment and end of mandate.

Not applicable.

2.14. Functions performed by fiscal board members in other companies, including itemisation of functions performed in other group companies.

Not applicable.

2.15. Identification of general and supervisory body members, as well as members of committees constituted within the former, including indication of members complying with the incompatibility rules foreseen in no. 1 of article 414-A of the Commercial Company Code, including section f) and the independence criterion foreseen in no. 5 of article 414, both included in the Commercial Company Code.

Not applicable.

2.16. Professional qualifications of general and supervisory body members, as well as members of committees constituted within the former, indication of their professional activities, at least during the previous five years, number of company shares held and dates of first appointment and end of mandate.

Not applicable.

2.17. Functions performed by general and supervisory body members, as well as members of committees constituted within the former, in other companies, including itemisation of functions performed in other group companies.

Not applicable.

2.18. Description of the remunerations policy, namely including means of alignment of director interests with company interests and performance evaluation, including differentiation between executive and non-executive directors, as well as a summary and explanation of the company policy regarding compensation amounts negotiated by contract or through transactions, in case of dismissal, and other payments relative to early contract cessation.

In accordance with the company contract, the General Meeting elected a Remunerations Committee to set remunerations for the members of the Board of Directors.

In a context of considerable change and competition, such as currently experienced by the IMPRESA Group, the ability to attract, motivate and retain the best professionals in the market, as well as turn their contribution into true teamwork, will doubtlessly constitute a main critical success factor, in the near future.

In this sense, it is important to underline the fact that the IMPRESA Group reformulated its compensation strategy for Executive Commission members in 2003, having extended it to the remaining organisational structure, through implementation of a new model, whose main objective is to increase shareholder value creation and sustainability by the Board of Directors.

Therefore, the IMPRESA Group believes such a model, with the aforementioned characteristics, should include a performance element.

This approach displays a great ability to be integrated with value creation objectives, being based on a series of principles and characteristics that make it extremely interesting, namely:

- transparency;
- methodological consistence, on two levels:
- model integration, in a balanced manner, as well as compensation rules between the various top management levels;
- relative competitiveness on the level of comparison with the best practices;
- ability to create the necessary basic elements to attract, motivate and retain the best human assets in IMPRESA Group target markets;
- ability to ensure convergence of interests between shareholders and the Board of Directors;

- ability to optimize executive remunerations, according to their performance and value-generating ability.

The IMPRESA Remunerations Committee, within the scope of the functions attributed by the General Meeting during the current mandate and considering the aforementioned objectives, deliberates on fixed remunerations of executive and non-executive directors, as well as variable remunerations of executive directors, according to Group share evolution and economic performance, in an equal manner for all Executive Committee members. In this way, the Remunerations Committee approved, in 2003, a calculation model for annual variable remunerations, which will correspond to the result of applying the percentage of established objective achievement (between 0% and 150%) to annual fixed remuneration amounts. These objectives should include a series of indicators, whose number must be between 3 and 5. For the financial year of 2007, the IMPRESA Remunerations Committee approved the following indicators: IMPRESA revenue, EBITDA, results before tax, net results and total shareholder return (TSR), in comparison with the media sector.

2.19. Indication of the composition of the remunerations committee or equivalent body, if applicable, identifying those members who are also administrative body members or their spouses, parents or other direct relatives, up to the 3rd generation, inclusively.

The Remunerations Committee is composed as follows:

Chairman: Dr. José Pedro Correia de Aguiar-Branco
Voting Members: Dr. Rafael Mora
Mr. Alberto Romano

None of these members compounds functions in this body with functions in the IMPRESA Board of Directors, or is the spouse, parent or direct relative, up to the 3rd generation, of any IMPRESA directors.

2.20. Indication of remunerations earned during the financial year in question by administrative body members, individual or collective, understood in a broad sense, in order to include performance bonuses. This information should include the following:

a) Clear indication of the relative importance of fixed and variable components of director remunerations, as well as indication of eventual payment deferral of variable components;

Remunerations of the Board of Directors		
Fixed	Variable	Total
863,421.35€	222,320.00€	1,085,741.35€

b) Differentiation between amounts paid to executive and non-executive directors;

Remunerations of the Board of Directors			
Directors	Fixed	Variable	Total
Executive	665,000.00€	222,320.00€	887,320.00€
Non-Executive	198,421.35€	0	198,421.35€
TOTAL	863,421.35€	222,320.00€	1,085,741.35€

c) Sufficient information regarding criteria used in determining share rights, share options or variable remuneration components;

As explained in point II.18, above, the variable component of the compensation system defined by the IMPRESA Group will be the result of applying the percentage of established objective achievement (between 0% and 150%) to annual fixed remuneration amounts. Objective achievement should be evaluated through a series of indicators, whose number must be between 3 and 5. For the financial year of 2007, the IMPRESA Remunerations Committee approved the following indicators: IMPRESA revenue, EBITDA, results before tax, net results and total shareholder return (TSR), in comparison with the media sector. The Group compensation system does not foresee any share rights or share options.

d) Sufficient information regarding performance-linked remunerations;

As previously answered, remunerations of the Group Executive Committee members are fully linked to performance.

e) Identification of main parameters and basic concepts of any attribution system relative to annual bonuses and other non-cash benefits;

Already answered.

f) Attribution of shares, share acquisition rights or other incentive systems involving shares;

No incentive systems involving shares exist.

g) Remunerations paid as profit shares and/or bonuses and reasons for awarding these bonuses of profit shares;

Variable IMPRESA Group remunerations will only be paid if the weighted average achievement regarding the objectives defined (objectives defined for 2007 were growth in revenue, EBITDA, results before tax, net results and TSR comparison between the Group and the Sector) is equal or greater than 80%. Payment will be made according to the fixed remuneration percentage corresponding to the aforementioned achievement value (between 0% and 150%).

Regarding the financial year of 2007, the executive members of the Board of Directors received variable remunerations totalling 222,320 euros.

h) Compensation amounts paid or due to former executive directors regarding cessation of the corresponding functions during the financial year;

No compensation amounts have been paid or are due to former executive directors regarding cessation of the corresponding functions during the financial year.

i) Any amounts paid by other companies for which a control or group relationship exists;

Of the total amount indicated in section b), 385,000 euros were paid by subsidiary company SOJORNAL, SA.

j) Description of the main characteristics of supplementary pension and early retirement regimes for directors;

The Chairman and the Vice-chairman of the Board of Directors and the Executive Committee benefit from a supplementary retirement regime, through the "Sojornal & Associadas" Pension Fund, created in 1987, which includes directors, journalists and other paid staff, admitted by the 5th July 1993, as per information included in Note 35.1 of the Annex to IMPRESA consolidated financial statements.

The supplement attribution plan consists of the following rules and characteristics:

"Journalists and directors who have worked for the company for 10 years or more are entitled to a supplementary retirement subsidy, due to old age or disability, whose amount is calculated as follows, no commitments existing regarding future updating:

a) Journalists and directors who have worked for the company for 10 years will receive a subsidy equivalent to half the difference between the pension paid by the Social Security and their pensionable salary;

b) For every year worked after 10 years, this supplement will increase by 1%, until the sum of the pension and the supplement totals 90% of their pensionable salary.

Retirement due to old age is understood as that granted to employees over 65 years of age.

Retirement due to disability is understood as that recognised and granted to employees by the Social Security.

Pensionable salary is understood as total remunerations (base salary, bounty payments and subsidies) defined for 2002.

Any employee may remain at the service of the Associate, by common agreement, after the old age retirement date. In this case, the pension amount will be calculated as defined above, considering the pensionable salary and pensionable working time on the date the employee in question completed 65 years of age.

Pension supplements will be calculated using the formula used by Social Security to calculate pensions on the 5th July 1993."

The Vice-Chairman of the Executive Committee retired in 2006, having benefited from the aforementioned supplement regime. In 2007, he received the amount of 178,181 euros from the Pension Fund.

k) Estimation of relevant non-cash benefits, considered as remuneration, not included in previous sections.
No relevant non-cash benefits, considered as remuneration, not included in previous sections, exist.

2.21. Indication of individual amounts whose payment is foreseen, regardless of their nature, in case of cessation of functions during the mandate, when they exceed twice the fixed monthly remuneration.

No payments due to cessation of functions during the mandate are foreseen.

2.22. Information relative to the whistle-blowing policy adopted by the company.

The Audit Committee created and approved, in 2007, an internal whistle-blowing system, aimed at preventing and punishing irregular situations, thereby avoiding the damages caused by the continued existence of irregular practices.

This system, whose Regulations are divulged on the IMPRESA website and the IMPRESA Group Intranet network, ensures information confidentiality, as well as the anonymity of people reporting irregularities.

It also ensures the rights of IMPRESA Group company employees will not be harmed by communication of irregular practices.

The whistle-blowing process includes five stages, namely: reception and recording, preliminary analysis, judgement regarding consistency of the information received, investigation and final report, including communication to the Chairman of the Board of Directors.

07.3

Chapter 3 - Information

3.1. Capital structure, including indication of non-negotiable shares, different share categories, corresponding rights and obligations and percentage of capital represented by each category.

Share capital is 84,000,000 euros, represented by shares of 0.5 euros each, all negotiable. All actions have the same rights; no different share types exist.

3.2. Qualified shareholdings in the issuer's share capital, calculated according to article 20 of the Securities Code.

Qualified shareholder	Number of Shares Held	Percentage of voting rights
IMPREGER – Sociedade Gestora de Participações Sociais, SA		
* Directly	84,514,588	50.306%
* Through the Chairman of the Board of Directors, Dr. * Francisco José Pereira Pinto de Balsemão	2,275,840	1.355%
* Through the Vice-Chairman of the Board of Directors, * Eng. Luiz Fernando Teuscher de Almeida e Vasconcellos	10,000	0.006%
* Through Director Eng. Francisco Maria Supico * Pinto Balsemão	8,246	0.005%
* Through the Chairman of the Fiscal Board, Maria do Carmo * Pinto de Ruella Ramos	846	0.000%
Total	**86,809,520**	**51.672%**
Bestinver Gestion, SA	12,040,258	7.167%
* Through all managed portfolios (a)		
Total	**12,040,258**	**7.167%**
BANCO BPI, SA		
* Directly	6,326,620	3.766%
* Through Banco Português de Investimento, SA	258,404	0.154%
* Through BPI Vida – Companhia de Seguros de Vida, SA	1,989,869	1.184%
Total	**8,574,893**	**5.104%**
Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliários, SA		
* Through Fundo Santander Acções Portugal	3,564,162	2.122%
* Through Fundo Santander PPA	744,662	0.443%
Total	**4,308,824**	**2.565%**

3.3. Identification of shareholders with special rights and description of these rights.

No special rights exist.

3.4. Eventual share transaction restrictions, such as consent clauses regarding sale or shareholding limitations.

No share transaction restrictions exist.

3.5.Agreements outside the scope of the company contract of which the company has knowledge and which may lead to restrictions relative to transaction of securities or voting rights.

No agreements exist outside the scope of the company contract of which the company has knowledge and which may lead to restrictions relative to transaction of securities or voting rights.

3.6. Applicable rules to alteration of the articles of association;

No rules exist regarding alteration of the company articles of association, except those resulting from applicable legislation.

3.7. Control mechanisms foreseen for an eventual system involving employee shareholdings, ensuring voting rights are not directly exercised by the employees in question.

No employee shareholding system exists.

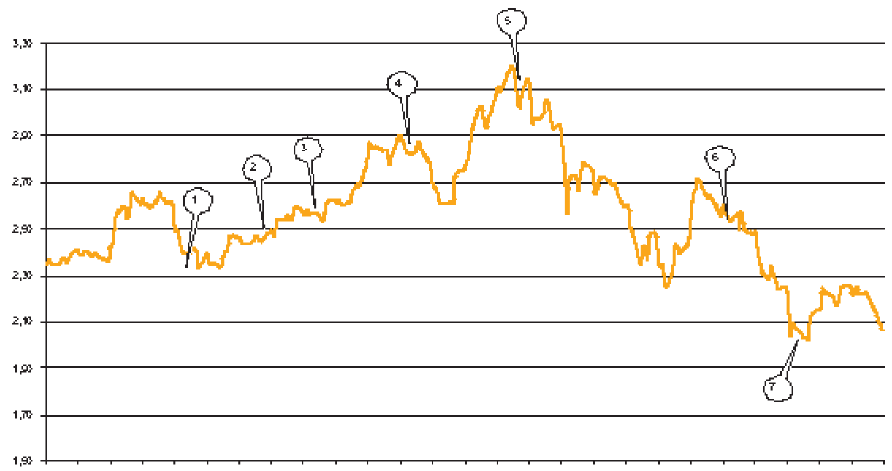
3.8. Description of issuer share price evolution, namely including the following:

a) Issue of shares of other securities allowing share subscription or acquisition;

b) Results announcement;

c) Payment of dividends, by share category, including indication of net amounts per share.

Stock Price Evolution IMPRESA 2007



Main Dates:

1. 8th March 2007 Presentation of 2006 Accounts
2. 12th April 2007 IMPRESA General Meeting
3. 3rd May 2007 Presentation of 2007 1st Quarter Accounts
4. 13th June 2007 Stock-Split
5. 30th July 2007 Presentation of 2007 2nd Quarter Accounts
6. 29th October 2007 Presentation of 2007 3rd Quarter Accounts
7. 28th November 2007 Investor Day 2008

3.9. Description of the dividend distribution policy adopted by the company, namely identifying dividend amounts per share distributed in the last three financial years.

According to the current legislation, individual IMPRESA accounts, elaborated with basis on the accounting principles generally accepted in Portugal (POC) are considered for distribution of results relative to the financial year in question, namely dividend distribution; therefore, negative financial year results and accrued losses from previous financial years will be significantly affected by the accounting of amortizations relative to goodwill generated through acquisition of shareholdings.

On the other hand, the IMPRESA company contract establishes that "during accounts evaluation, the General Meeting should distribute profits relative to the previous financial year, if existing, in the following manner:

a) 5% to the legal reserve fund, as long as its constitution or reintegration is necessary;

b) the remaining to be applied as determined by the majority, during the General Meeting."

According to applicable legal dispositions, General Meeting deliberation regarding application of the remaining financial year results should consider the following:

- covering of previous financial year losses;
- constitution or reinforcement of other reserves determined by law or constituted by General Meeting deliberation;
- dividend distribution policy regarding shareholders.

Therefore, since the accrued losses have not yet been covered, it was not yet possible to proceed with dividend distribution.

3.10. Description of the main characteristics of share attribution and share acquisition option plans adopted or effective in the financial year in question, including justification of the plans adopted, category and number of beneficiaries, attribution conditions, clauses relative to share sale inability, share price criteria, prices relative to exercise of share options, period of exercise of share options, characteristics of the shares to be attributed, share acquisition or share option incentives and administrative body competence to execute or alter the plans in question.

No share attribution or share acquisition option plans are effective or have been adopted at IMPRESA.

3.11. Description of main business elements and operations occurred between the company, on one side, and, on the other side, administrative and supervisory body members, qualified shareholders or companies with a control or group relationship, provided these are economically significant to any of the parties involved, with the exception of businesses or operations performed, on cumulative terms, according to normal market conditions for similar operations and part of the company's normal business activity.

Regarding the existing indirect letting contracts with shareholder and Chairman of the Board of Directors Dr. Francisco Pinto Balsemão, mentioned in previous reports and included in the brochures elaborated by occasion of the entry into the stock market, in June 2000, and IMPRESA share capital increase, in October 2003, at Euronext, it should be referred that only the contract relative to the IMPRESA headquarters is still valid.

In addition to what is referred in the previous paragraph, no economically significant businesses or operations occurred in 2007 between the company, on one side, and, on the other side, administrative and supervisory body members, qualified shareholders or companies with a control or group relationship.

3.12. Reference to the existence of an Investor Support Office or similar service, including the following:

a) Office Functions;

Following entry into the then existing Lisbon and Porto Stock Exchange, in 2000, IMPRESA created the Direction of Communication and Investor Relations, in order to ensure institutional relations and divulgation of information to the vast universe of shareholders, potential investors and analysts and stock markets where IMPRESA shares are negotiable, as well as the corresponding regulatory and supervisory entities, Euronext and CMVM.

Therefore, the IMPRESA Direction of Communication and Investor Relations performs a relevant role in achieving this objective, by allowing the existence of adequate relationships with shareholders, financial analysts and potential IMPRESA investors.

The main function of this Direction, instituted in 2000, consists of acting as an agent between the IMPRESA Board of Directors Executive Committee and investors and financial markets in general, being responsible, within the scope of its normal activity, for all information made available by the IMPRESA Group, both regarding divulgation of relevant facts and other market communications, as well as publication of periodic, quarterly, half-year and annual financial statements.

b) Type of information made available by the Office;

In order to perform its functions, this Direction maintains a constant communication flow with financial investors and analysts in Portugal and abroad, providing all necessary information and clarifications to respond to the requests made by these entities, in compliance with applicable legal and regulatory dispositions.

c) Office contacts;

R. Ribeiro Sanches, 65 – 1200-787 Lisboa

Telephone: +351-213929780

Fax: +351-213929787.

e-mail: jfreire@impresa.pt

d) Company website;

The company website address is "www.impresa.pt"

e) Identification of the market relations representative.

The market relations representative and Director de Communication and Investor Relations is Eng. José Freire, reporting to the Executive Committee.

3.13. Indication of annual remuneration fees paid to the auditor and other individuals or legal persons included in the same network, supported by the company and/or legal persons with a control or group relationship, as well as itemisation of percentages relative to the following services:

Fees paid to the auditor or other entities included in the same network, in 2007, reached the total amount of 606,657 Euros, itemised as follows:

a) Statutory audit services; 461,510 Euros (76.1%)

b) Other reliability assurance services; 5,150 Euros (0.9%)

c) Fiscal advice services; 73,997 Euros (12.2%)

d) Services not included within the scope of statutory audit services. 65,500 Euros (10.8%)

The Audit Committee, in coordination with the IMPRESA General Finance Direction and the Finance Directions of operational subsidiary companies, guarantees that the auditing services contracted do not question its independence.

Lisbon, 5th March 2008

The Board of Directors

Francisco José Pereira Pinto Balsemão

Luiz Fernando Teuscher de Almeida e Vasconcellos

Francisco Maria Supico Pinto Balsemão

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Anacoreta Correia

Miguel Luís Kolback da Veiga

LEGAL CERTIFICATION OF ACCOUNTS AND AUDITOR'S REPORT

CONSOLIDATED FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese)

Introduction

1. In compliance with the applicable legislation we present our Legal Certification of Accounts and Auditor's Report on the consolidated financial information contained in the Board of Directors' Report and the consolidated financial statements of Impresa - Sociedade Gestora de Participações Sociais, S.A. ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2007, which comprise the consolidated balance sheet as of 31 December 2007 that reflects a total of 501,782,696 Euros and equity of 171,754,384 Euros, including a consolidated net profit attributable to the shareholders of the parent company of 18,088,845 Euros, the consolidated statements of profit and loss, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and the corresponding notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results of their operations, their consolidated cash flows and the changes in equity; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union (IAS/ IFRS) which is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of appropriate systems of internal control and (iv) the disclosure of any significant facts that have influenced the operations of the companies included in the consolidation, their financial position and results of operations.

3. Our responsibility is to examine the financial information contained in the documents of account referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our work.

Scope

4. Our examination was performed in accordance with the Auditing Standards ("Normas Técnicas e as Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used and application of the equity method, and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used, their uniform application and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, assessing the adequacy of the overall presentation of the consolidated financial statements and assessing if, in all material respects, the consolidated financial information is complete, true, timely, clear, objective and licit. Our examination also included verifying that the consolidated financial information included in the Board of Directors' Report is consistent with the other consolidated financial statements. We believe that our audit provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1 above, present fairly in all material respects, the consolidated financial position of Impresa - Sociedade Gestora de Participações Sociais, S.A. and its subsidiaries as of 31 December 2007, the consolidated results of their operations, their consolidated cash flows and the changes in consolidated equity for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the information contained therein is, in terms of the definitions included in the auditing standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Lisbon, 5 March 2008

DELOITTE & ASSOCIADOS, SROC S.A.
Represented by Paulo Jorge Duarte Gil Galvão André