IMPRESA

Annual Report 2013

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IMPRESA
Sociedade Gestora de Participações Sociais, SA.

SINGLE MANAGEMENT REPORT 2013

In compliance with the requirements imposed by law regarding public companies, the Board of Directors of IMPRESA – Sociedade Gestora de Participações Sociais, S.A. hereby presents its SINGLE MANAGEMENT REPORT relative to the financial year of 2013. In doing so, the Board was careful to include sufficient elements and information for the shareholders and investors in general to be able to assess the activity of the IMPRESA GROUP in a clear and objective manner within the respective horizon of intervention.

A. CONSOLIDATED ACCOUNTS

The Consolidated financial statements were prepared in compliance with the provisions of the IAS/IFRS, 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 respective SIC and IFRIC interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC).

1. Executive Summary for 2013

- IMPRESA achieved a net profit of 6.6 M€ in 2013, in comparison with a net loss of 4.9 M€ in 2012.

- IMPRESA reached an EBITDA of 30.4 M€, an increase of 55.7% in relation to the 19.5 M€ registered in 2012.

- The Group IMPRESA increased its advertising market share by 1.6 percentage points to 27.3%, both in the television and press segments.

- Net bank debt reached 188.2 M€ at the end of 2013, i.e. a decrease of 15.9 M€ (minus 7.8%) relative to the value of 204.1 M€ registered in December 2012. This reduction reflects the continued focus on the financial deleveraging of the Group balance sheet.

- IMPRESA reached consolidated revenues of 237.2 M€ in 2013, a year-on-year increase of 3.5%. In the 4th quarter of 2013, consolidated revenues, in the amount of 68.1 M€, increased 10.1% relative to the same period of 2012, with advertising revenues climbing 11.4%.

- IMPRESA's operating costs fell 1.3% in 2013 (without considering the effect of amortisations and depreciation and goodwill impairment), whilst fixed costs declined 6.5%.
- SIC reached an EBITDA of 29.7 M€, an increase of 30.4% in relation to the 22.8 M€ registered in 2012. SIC's EBITDA margin climbed from 14.4% in 2012 to 17.1% in 2013.

- The Publishing area achieved a positive EBITDA of 4.5 M€ in 2013, in comparison with a negative value of 1.1 M€ obtained in 2012.

- SIC closed 2013, for the second consecutive year, as audience leader (27.8%) in the main television (prime-time) time slot.

- IMPRESA digital publications capture 48% of all the digital subscription in the Portuguese market.

- Expresso, which celebrated its 40th anniversary in 2013, continued to be the most sold weekly newspaper, with paid circulation values in excess of 93,500 copies, and ended the year with digital sales and subscriptions in excess of 8,500 weekly downloads, maintaining its position as the leading publication in digital sales..

- IMPRESA received, with reference to 2013, the prize for the best stock market performance, in compartments B and C, awarded by Euronext Lisbon, after an increase in its share price by 250.2%

- In February 2014, NYSE Lisbon announced that IMPRESA shares will join the PSI 20 index, from March 24th.

- Taking into account the entry into force of the “IAS 19 – Employee benefits" standard, the financial statements of 2012 have also been restated.

Table 1. IMPRESA Main Indicators IMPRESA

(Values in €)	Dez-13	Dez-12	ch %	4th Qt 2013	4th Qt 2012	ch %
Total Revenues	**237.176.998**	**229.057.778**	**3,5%**	**68.140.275**	**61.886.448**	**10,1%**
Television Revenues	173.535.290	158.649.596	9,4%	50.365.988	43.951.613	14,6%
Publishing Revenues	63.129.719	68.658.737	-8,1%	17.599.982	17.686.827	-0,5%
Ímpresa Others Revenues	511.989	1.749.445	-70,7%	174.305	248.008	-29,7%
Operating Costs	**206.826.427**	**209.563.036**	**-1,3%**	**56.829.943**	**54.547.544**	**4,2%**
EBITDA	**30.350.571**	**19.494.742**	**55,7%**	**11.310.332**	**7.338.904**	**54,1%**
EBITDA Margin	**12,8%**	**8,5%**		**16,6%**	**11,9%**	
EBITDA Television	29.736.654	22.798.607	30,4%	10.574.736	11.426.310	-7,5%
EBITDA Publishing	4.489.877	-1.093.097	n.a	1.673.405	-2.572.337	n.a.
EBITDA Impresa Others	-3.875.960	-2.210.768	-75,3%	-937.809	-1.515.069	38,1%
Net Profits	**6.597.529**	**-4.893.713**	**n.a.**	**3.954.363**	**-1.284.858**	**n.a.**
Net Debt (M€)	**188,2**	**204,1**	**-7,8%**	**188,2**	**204,1**	**-7,8%**

Notes: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. Net Debt = Loans obtained (ST+MLT) - Cash and cash equivalents. (1) Does not consider amortisations and depreciation and impairment losses.

IMPRESA
Sociedade Gestora de Participações Sociais, SA.

2. Analysis of the Consolidated Accounts

In 2013, IMPRESA achieved consolidated revenues of 237 M€, corresponding to an increase of 3.5% relative to the value registered in 2012. During the 4th quarter, this increase came to 10.1%.

The following should be noted relative to business in 2013:

- 1.3% decline in operating costs, with fixed costs having fallen 6.5%.
- 35.8% increase in other revenues, namely the sale of associated products, TV services and call-TV.
- 1.5% decline in channel subscription revenues, due to the contraction of the domestic market, not totally offset by the 4.7% increase in international revenues.
- Slight decline of 0.9% in advertising revenues, reflecting a better performance than of the advertising market, which is estimated to have contracted 8%. An increase of 11.4% was registered in the 4th quarter of 2013, compared with the 4.5% increase of the market.
- 10.2% decline in circulation revenues, whose comparison is affected by the discontinuation of some publications in 2012.

Table 2. Total Revenues

(Values in €)	Dec-13	Dec-12	ch %	4th Qt 2013	4th Qt 2012	ch %
Total Revenues	**237.176.998**	**229.057.778**	**3,5%**	**68.140.275**	**61.886.448**	**10,1%**
Advertising	116.258.330	117.316.280	-0,9%	35.505.936	31.861.258	11,4%
Channel Subscription	44.427.380	45.100.995	-1,5%	11.009.257	11.296.079	-2,5%
Circulation	27.322.029	30.434.584	-10,2%	6.585.315	7.136.615	-7,7%
Others	49.169.259	36.205.919	35,8%	15.039.767	11.592.496	29,7%

Operating costs, without considering amortisations and depreciation and impairment losses, reached 206.8 M€, which represented a decrease of 1.3% in relation to 2012. The main reason for this reduction was the 6.5% decrease in fixed costs, namely staff costs and external supplies. Variable costs increased 1.6%, resulting from the increase in business related to other revenues, in spite of the reduction in production, editorial and programming costs. It should be noted that SIC continues to cover the total cost of its domestic fiction at first showing.

The good performances, in terms of revenues and operating costs, enabled a consolidated EBITDA of 30.4 M€ at the end of 2013, which represented a gain of 55.7% in relation to the 19.5 M€ obtained in 2012 (affected by restructuring costs of 4.9 M€). The EBITDA margin stood at 12.8%, in comparison with the margin of 8.5% reached in 2012. In the 4th quarter, consolidated EBITDA stood at 11.3 M€ (margin of 16.6%), an increase of 54.1% relative to the 4th quarter of 2012 (margin of 11.9%).

The volume of depreciations charges decreased 26.1% to 5.3 M€ at the end of 2013, reflecting the closure and divestiture of some activities in 2012.

In 2013, the negative financial results improved by 11.6% relative to 2012, reaching 11.8 M€. This positive variation is mainly explained by the interest-bearing liabilities reduction and lower exchange rate losses and by the positive performance of VASP results. In the 4th quarter of 2013, the negative financial results improved by 16.9%.

Results before taxes and non-controlling interests, in 2013, was positive by 13.3 M€, which compares to the negative value of 1.0 M€ reached in 2012.

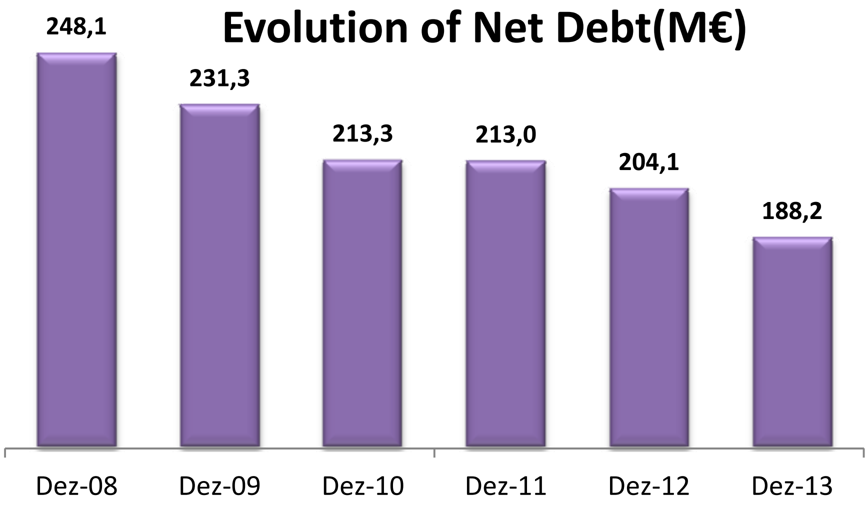
IMPRESA achieved a net profit of 6.6 M€ in 2013, in comparison with a net loss of 4.9 M€ in 2012.

Table 3. Profit & Loss

(Values in €)	Dec-13	Dec-12	ch %	4th Qt 2013	4th Qt 2012
Total Revenues	**237.176.998**	**229.057.778**	**3,5%**	**68.140.275**	**61.886.448**
Television	173.535.290	158.649.596	9,4%	50.365.988	43.951.613
Publishing	63.129.719	68.658.737	-8,1%	17.599.982	17.686.827
Impresa Others	511.989	1.749.445	-70,7%	174.305	248.008
Operating Costs	**206.826.427**	**209.563.036**	**-1,3%**	**56.829.943**	**54.547.544**
Total EBITDA	**30.350.571**	**19.494.742**	**55,7%**	**11.310.332**	**7.338.904**
EBITDA margin	**12,8%**	**8,5%**		**16,6%**	**11,9%**
Television	29.736.654	22.798.607	30,4%	10.574.736	11.426.310
Publishing	4.489.877	-1.093.097	n.a.	1.673.405	-2.572.337
Impresa Others	-3.875.960	-2.210.768	-75,3%	-937.809	-1.515.069
Depreciation	5.259.100	7.116.916	-26,1%	1.176.010	1.638.571
EBIT	**25.091.471**	**12.377.826**	**102,7%**	**10.134.322**	**5.700.333**
EBIT Margin	**10,6%**	**5,4%**		**14,9%**	**9,2%**
Financial Results (-)	**11.801.951**	**13.349.277**	**-11,6%**	**2.746.397**	**3.306.040**
Res. bef.Taxes & Minorities	**13.289.520**	**-971.451**	**n.a**	**7.387.925**	**2.394.293**
Taxes (IRC)(-)	6.691.991	0	475,9%	3.433.562	1.460.078
Minority Interests (-)	0	5.101	-100,0%	0	1.073
Impairement's	**0**	**2.755.098**	**-100,0%**	**0**	**2.218.000**
Net Profits	**6.597.529**	**-4.893.713**	**n.a.**	**3.954.363**	**-1.284.858**

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

On the balance sheet side, at the end of 2013, net bank debt came to 188.2 M€, i.e. 15.9 M€ less than the value registered in 2012. Over the last 5 years, net debt has decreased by 60 M€.



Investment in the IMPRESA Group in 2013 came to 3.8 M€, with emphasis on the DCM/DAM (Digital Content and Asset Management) investment and the further digitalisation of SIC, in the amount of 2.5 M€, to allow for broadcasting and producing HD contents.

3. Television

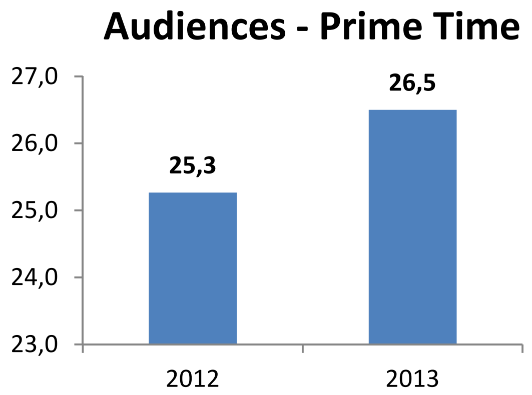
Table 4. Television Indicators (Values in €)	Dec-13	Dec-12	ch %	4th Qt 2013	4th Qt 2012	ch %
Total Revenues	**173.535.290**	**158.649.596**	**9,4%**	**50.365.988**	**43.951.613**	**14,6%**
Advertising	88.250.010	87.384.979	1,0%	26.653.252	23.811.605	11,9%
Channels Subscription	44.427.380	45.100.995	-1,5%	11.009.257	11.296.079	-2,5%
Others	40.857.900	26.163.622	56,2%	12.703.479	8.843.929	43,6%
Operating Costs	**143.798.636**	**135.850.989**	**5,9%**	**39.791.252**	**32.525.303**	**22,3%**
EBITDA	**29.736.654**	**22.798.607**	**30,4%**	**10.574.736**	**11.426.310**	**-7,5%**
EBITDA (%)	**17,1%**	**14,4%**		**21,0%**	**26,0%**	
Result. Before Taxes	**23.517.848**	**14.785.698**	**59,1%**	**9.330.337**	**9.509.724**	**-1,9%**

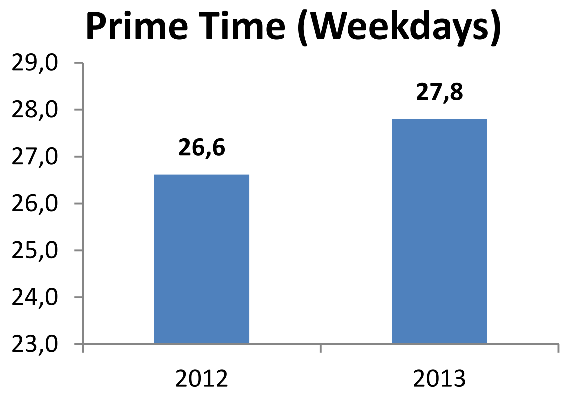
Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider amortisations and depreciation and impairment losses.

SIC's total revenues grew 9.4% to 173.5 M€, underpinned by an increase in all business areas, with the exception of a small decrease in channel subscriptions.

SIC's advertising revenues grew 1.0% in 2013, with an increase of 11.9% in the last quarter, i.e. a better performance than the advertising market of free-to-air television, which declined 9.8%. At the end of the year, advertising revenues represented about 51% of SIC's total revenues.

The performance of advertising revenues benefitted from market share gain, which was in turn explained by the audience improvement's, namely in prime time television viewing.





The SIC channel ended 2013 with an average audience of 26.5% in prime time, in comparison with 25.3% in the previous year. On weekdays, the average audience in prime time was higher (27.8%), in comparison with the audience of 26.6% reached in 2012.

This result was mainly due to the good performance and leadership of the soap operas that SIC broadcast in this time slot, “Gabriela”, “Dancin’ Days”, “Avenida Brasil”, “Sol de Inverno” and “Amor à Vida”, as well as the good results of the news segment, namely of “Jornal da Noite”, and of the entertainment programmes “Splash”, “Cante se Puder” and “Factor X”.

Regarding the rest of SIC's programming, special reference should be made to the European Football Championship, namely the Benfica-Chelsea final, which was the second most watched television programme in 2013, and the holding of the Golden Globes, in partnership with the magazine Caras.

Subscription revenues generated by SIC channels distributed over cable and satellite, in Portugal and abroad, fell 1.5% in 2013, reaching 44.4 M€. This decrease was not offset by growth in the international area.

In 2013, SIC Notícias with an average audience of 1.9%, was the most viewed information channel on cable, having risen 0.4 pp relative to the previous year.

With regards to the other thematic channels, SIC Mulher, which commemorated its 10th anniversary, obtained an average audience of 0.7%, SIC Radical achieved an average audience of 0.5% and SIC K, in spite of only being present on the MEO platform, obtained an average audience of 0.2%. In December 2013, was launched a new channel - SIC Caras, exclusively on the ZON platform.

SIC's set of generalist and thematic channels obtained a collective average audience of 24.3% in 2013. In the commercial targets ABCD 15-54 and ABCD 25-54, SIC's set of channels ended 2013 in the leading position, with 26.6% and 27.2%, respectively.

In 2013, the international distribution of SIC channels maintained a strong performance, having increased by 4.7% relative to 2012, in spite of the devaluation of the North American dollar. The international market represented about 12.3% of the total turnover of the distribution area, with SIC channels present in 53 operators, 11 more than in 2012.

In 2013, SIC International consolidated its presence in France, Switzerland, Luxembourg, Andorra, the USA, Canada, Angola, Mozambique, Cape Verde, South Africa and Brazil, resumed its transmissions to Australia and is now present in Belgium, reaching about 6 million viewers.

SIC Notícias, in addition to being in Angola, Mozambique, Cape Verde and the USA, has expanded its presence to the Swiss, French and Canadian markets. At the end of 2013, SIC Notícias was present in 14 operators, double the number of operators at the end of 2012.

The SIC Mulher and SIC K channels consolidated their presence in Angola and Mozambique, having grown 65% and 77%, respectively in terms of number of viewers, relative to 2012.

Other revenues grew 56.2%, reaching 40.9 M€. In the 4th quarter of 2013, other revenues grew 43.6% year-on-year.

The websites of the SIC Universe registered a positive performance in 2013, both in terms of traffic and revenues, with the sites of SIC and SIC Notícias standing out. Large-scale entertainment projects, such as the soap opera “Dancin’ Days” and the show“Factor X”, were the key drivers to generate traffic on SIC's website. Also, the constant focus on video in the SIC Notícias site proved to be a good move. All this contributed to website traffic increase, with the number of visitors having reached a monthly average of 3.8 million visitors.

The multiplatform presence of the SIC brands continued in 2013, with emphasis on the "Factor X" project on the MEO platform. In February 2014, the new website and the SIC Notícias APP were launched simultaneously.

In terms of new initiatives in 2013, premium contents, and paid video contents through an IVR solution, with access through the SIC Notícias website, were launched. After about one year of activity, covering only news contents, the barrier of 8,000 paid videos was overcome.

The operating costs of SIC grew 5.9% in 2013, as a result of the increase in variable costs associated to the increase in other revenues. Conversely, the decrease in programming costs and external supplies is noteworthy.

This positive operational performance enabled an EBITDA of 29.7 M€ to be reached, i.e. an increase of 30.4% relative to the value of 22.8 M€ obtained in 2012, and a margin of 17.1% against 14.4% in 2012.

In 2013, SIC obtained results before taxes of 23.5 M€, corresponding to an increase of 59.1% relative to the result of 14.8 M€ achieved in 2012.

4. Publishing

Table 5. Publishing Indicators (Values in €)	Dec-13	Dec-12	ch %	4th Qt 2013	4th Qt 2012	ch %
Total Revenues	**63.129.719**	**68.658.737**	**-8,1%**	**17.599.982**	**17.686.827**	**-0,5%**
Advertising	27.951.195	29.851.255	-6,4%	8.232.663	7.969.606	3,3%
Circulation	27.322.029	30.434.584	-10,2%	6.585.315	7.136.615	-7,7%
Others	7.856.495	8.372.898	-6,2%	2.782.004	2.580.605	7,8%
Operating Costs	**58.639.842**	**69.751.834**	**-15,9%**	**15.926.577**	**20.259.164**	**-21,4%**
EBITDA	**4.489.877**	**-1.093.097**	**n.a**	**1.673.405**	**-2.572.337**	**n.a.**
EBITDA (%)	**7,1%**	**-1,6%**		**9,5%**	**-14,5%**	
Result. Before Taxes	**1.710.176**	**-6.737.785**	**n.a.**	**978.453**	**-5.570.663**	**n.a.**

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

IMPRESA Publishing continued to face very difficult market conditions, arising from the adverse economic climate.

For this reason, in anticipation of the maintenance of these difficulties during 2013, IMPRESA Publishing reorganised its portfolio of publications in 2012, discontinuing its brands in the decoration (with the exception of the publication Caras Decoração, leader in this segment) and automobile areas, which included the magazines Casa Cláudia, Casa Cláudia Ideias, Arquitectura & Construção, of the decoration segment, and the publications Autosport and Volante, of the automobile sector.

These measures, as part of a reorganisation process of the IMPRESA Group, were aimed at reinforcing its focus on publications and brands with greater multiplatform potential in which the Group is leader.

In 2013, total revenues reached 63.1 M€, which represented a decrease of 8.1% in relation to 2012. The negative performance of revenues was transversal to all the activities of IMPRESA Publishing and was also affected by the discontinuation of the publications mentioned above. Total revenues registered a slight year-on-year decrease of 0.5% in the 4th quarter of 2013.

In spite of this economic scenario, Impresa Publishing reinforced its market share in 2013. In fact, it is estimated that the press advertising market contracted by about 16%, whilst in IMPRESA Publishing, advertising revenues in the amount of 28 M€ declined by only 6.4% relative to 2012, with a 3.3% increase in the 4th quarter of 2013 being noteworthy.

One of the reasons for the increase in market share in this segment was mainly due to the continued focus on the “Life Media” area, which was able to mobilise a volume of very significant sponsorships through various events and conferences.

During 2013, the following events were noteworthy mention:

- Celebration of the 40th anniversary of the EXPRESSO newspaper, with the holding of a Musical Gala and an International Conference at the CCB – Centro Cultural de Belém and the organisation of a travelling exhibition which was held throughout the year in various cities of the country, on the history of the last 40 years of Portugal and the World, and of conferences on current national topics. In parallel with the exhibitions, conferences were held on important current topics: Portugal in the World, Health and Social Security, Demography, Technology and Science, Education, Energy Sector, New Technologies, Sea and Agriculture, Tourism, Culture and Creativity and Role of the Media.
- Award of the Prémio Pessoa 2012 to Richard Zenith, with the presence of the President of the Republic, and award of the Prémio Pessoa 2013 to the researcher Maria Manuel Mota (award ceremony to be held in 2014).
- The "Visão" magazine celebrated its 20th anniversary, by organising a Major Conference, at the Champalimaud Foundation, on the topic "Reinventing the Future".
- Golden Globes Gala, partnership between the magazine Caras and SIC.
- "Portugal under Examination" Conference
- 500 Biggest and Best, 1000 Largest SMEs, Best Companies to Work for in Portugal
- Global Management Challenge, Global Investment Challenge
- Car of the Year / Crystal Wheel Trophy
- Primus Inter Pares Award
- Activa Woman Award

In 2013, circulation revenues reached 27.3 M€, which represented a decrease of 10.2% relative to 2012, reflecting the performance of the economy and the discontinuation of various publications in 2012. Adjusting for the discontinuation of publications, the decrease came to 9.2%.

During a year marked by the generalised decline in circulation, the publications of IMPRESA Publishing maintained their positions of leadership in the different market segments in 2013. Expresso continued to be the most sold weekly newspaper, with paid circulation values in excess of 93.5 thousand copies and the paid circulation of the newsmagazine Visão exceeded 84 thousand copies.

In spite of the decline in sales, the continued focus on digital resulted in a strong growth of sales in digital formats. All the regular publications are available in digital format and, during 2013, with a view to providing a better user experience, new APPs of the magazines Exame Informática, Activa, Blitz, Courrier, Jornal de Letras, Visão Júnior and Visão História, for the IOS and Android platforms were made available, joining the APPs already on offer from Expresso, Visão, Exame and Caras, raising the total to 11 paid APPs. At the end of 2013, the total number of digital subscriptions represented about 18.9% of total subscribers, exceeding 23,000 individuals.

At the end of 2013, the number of digital subscribers represented double the number of digital subscribers in comparison with the end of 2012. In the specific case of the publications Expresso, Exame, Exame Informática and Courrier, digital subscribers already represent more than 10% of total paid circulation, with the newspaper Expresso as the undisputed leader among digital versions, with weekly sales in excess of 8,500 copies.

The IMPRESA Group decided to reinforce this focus on digital, consolidating the success obtained with its multiplatform strategy, of which Expresso is an example, among others. Hence, Expresso wil be the central axis of the new digital strategy, due to the editorial capacity of the newspaper, its history and entire successful trajectory. This strategy, which will be visible during the first semester of 2014, will involve the reinforcement of the online offer and, in particular, the launch of a digital daily edition of Expresso, from Monday to Friday, available to digital subscribers.

In addition, the sites of IMPRESA Publishing continued to register a high volume of traffic. In 2013, the sites achieved an average of 13.4 million visits and 72.8 million pageviews. Also noteworthy is the rapid growth of mobile traffic which, at the end of 2013, already represented 12.1% of total traffic, representing about double the traffic relative to the end of 2012.

One of the sources of mobile traffic growth was the strategy involving the launch of free APPs, within the scope of the agreement with SAPO. At the end of 2013, the 6 existing APPs, Expresso, Caras, Visão, Activa, Blitz and Exame Informática (these last 3 were launched in 2013) reached 246 thousand downloads.

Other revenues registered a decrease of 6.2% relative to 2012, reaching 7.9 M€, although an increase of 7.8% in the 4th quarter was registered.

Within the context of these revenues, it is important to mention the 18.3% surge in sales of alternative products, which reached 4.2 M€. The best successes, in 2013, were the DVD collections of “História de Portugal para toda a família”, "Receitas para Bimby", the books of "Guerra dos Tronos" and "Malas BG - Bárbara Guimarães".

Operating costs declined 15.9% relative to the previous year. It should be noted that, in 2012, 3.9 M€ of restructuring costs were registered. Adjusting for this effect, operating costs declined 11%.

This operational performance enabled a positive EBITDA of 4.5 M€ in 2013, in comparison with the negative value of 1.1 M€, obtained in 2012, which corresponds to a 56% increase relative to the value of 2012, after adjusting for restructuring costs. The EBITDA margin came to 7.1% in 2013, whilst the margin in the 4th quarter came to 9.5%.

In 2013, results before taxes was positive by 1.7 M€, which compares to the negative value of 6.7 M€ reached in 2012, affected by restructuring costs (3.9 M€) and impairment losses (2.2 M€).

5. IMPRESA Other

Table 6. Impresa Others Indicators (Values in €)	Dec-13	Dec-12	ch %	4th Qt 2013	4th Qt 2012	ch %
Total Revenues	511.989	1.749.445	-70,7%	174.305	248.008	-29,7%
InfoPortugal	1.311.793	1.679.503	-21,9%	329.723	220.235	49,7%
Olhares	167.479	208.346	-19,6%	40.293	52.669	-23,5%
Others & Inter-segments	-967.283	-138.404	n.a.	-195.711	-24.896	686,1%
Operating Costs	4.387.949	3.960.213	10,8%	1.112.114	1.763.077	-36,9%
EBITDA	-3.875.960	-2.210.768	-75,3%	-937.809	-1.515.069	38,1%
EBITDA (%)	-757,0%	-126,4%		-538,0%	-610,9%	

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. (1) Does not consider the effect of amortisations and depreciation and impairment losses.

In 2013, IMPRESA Other reached a turnover of 512 thousand euros, which represented a decrease of 70.7% in relation to 2012. In the 4th quarter of 2013, total revenues fell 29.7% to 174.3 thousand euros. These decreases reflect the contraction of the activity of INFOPORTUGAL and of OLHARES and the closure and divestiture of various activities, which occurred in 2012, as in the case of IMPRESA.DGSM.

During 2013, the performance of the main activities was as follows:

The commercial activity of Infoportugal – Sistemas de Informação e Conteúdos, S.A. decreased 23% to 1.3 M€ in terms of total revenues, associated to the fall in demand for digital photogrammetry services, as a result of the significant reduction of investments in civil construction and major infrastructure projects. Conversely, the activity associated to the development of multimedia contents and integrated digital solutions doubled its turnover, proving the strategic relevance of this activity for the sustained growth of Infoportugal.

As a result of the specialised production of integrated georeferenced contents and solutions for the tourism sector, InfoPortugal was selected to build and operate the new tourism promotion portal of Turismo de Portugal – Visit Portugal (www.visitportugal.com).

During 2013, Research and Development projects were conducted, in cooperation with different Universities, in areas associated to mobility, navigation and geographic information systems based on open-source web platforms which enabled the introduction of a new series of innovative services and solutions with high economic value to the market.

Among the main projects completed in 2013, the following are worthy of mention:

Guia Turístico do Barroso (Barroso Tourist Guide) – "Guia Turístico do Barroso" is the application of the Ecomuseu de Barroso, for iPhone and Android smartphones. This guide includes the points of interest of the territory with detailed descriptions, photographs, augmented reality and locations on the map.

Multimedia ecotouristic contents, for CIM Alto Minho – Infoportugal developed, for the Intermunicipal Community of Minho-Lima (CIM Alto Minho), a multimedia web application (available at mapa.cim-altominho.pt) with the integration and production of ecotourism digital contents for a system providing support for visits to Alto Minho. The project includes the production of editorial contents of the main points of interest of the 10 municipalities associated to CIM Alto Minho, in three languages, as well as the development of 3D models, digital maps with virtual visits, videos and a gallery of photographs, mounted on a Google Earth platform.

New portal of Turismo de Portugal - InfoPortugal won the international open tender to build and operate the new portal of Turismo de Portugal. The new portal – www.visitportugal.com – has been online since 14 October 2013.

In 2013, the operating revenues of Olhares.Com – Fotografia Online, S.A. decreased 20% relative to the previous year, reaching 167.5 thousand euros.

This decrease was due to the loss of advertising revenues and the reduction of subscription revenues, which was not offset by the increase in activity of Academia Olhares.

The Olhares site continued to solidify its presence as the largest photography website in Portugal, with about 9.1 million visitiors and 76.5 million pageviews, and ended the year with about 295 thousand registered members and more than 3.5 million photos.

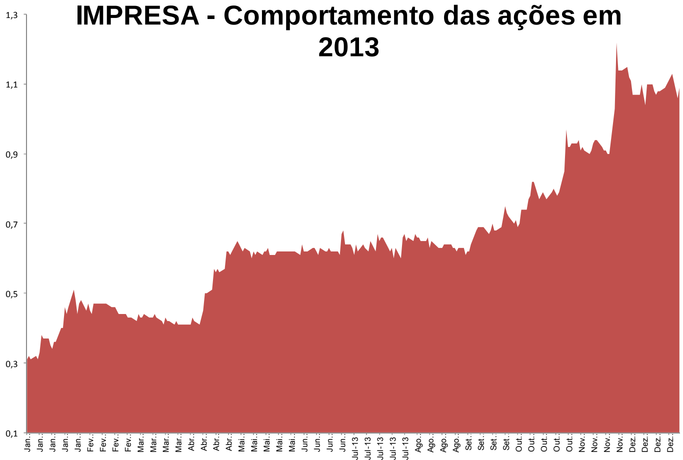
The year of 2013 proved to be a year of consolidation of the offer of Academia Olhares in the online area, with two new courses on offer, increasing the total number of courses to 3, in the first full year of this activity.

The global volume of training translated into about 16,000 hours, with the trend of increased demand for courses/workshops of shorter duration being maintained. Throughout the year, 103 training actions were held, which involved a total of 805 trainees.

In 2013, the development of the new platform of the site Olhares.com was initiated, whose reformulation aimed to position the portal in line with the latest technological trends and usability, in addition to the offer of new features and services. This new site was, in the interim, launched on January 6th, 2014.

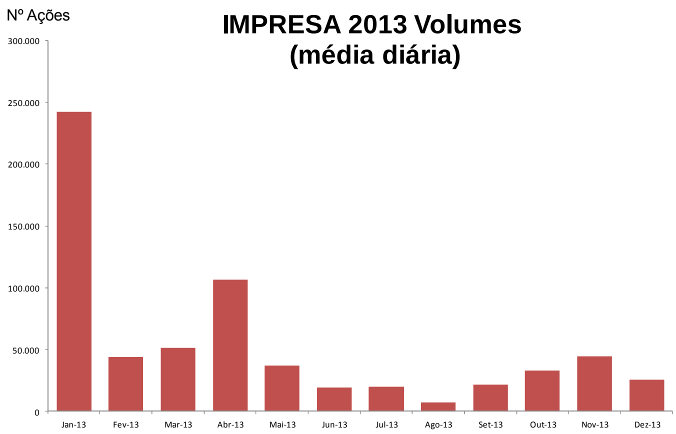
6. IMPRESA in the Stock Market

After 2012, in which the main stock market indices registered a positive evolution, 2013 confirmed that trend. Capital markets in 2013 registered positive variations in general, particularly in the second half of the year. The PSI 20 closed 2013 higher by 16.0%, but underperforming in relation to the majority of European markets.



The EuroStoxx European reference index returned to positive territory once again, having risen by 13.3% in 2013. The media sector in Europe, on the other hand, also recorded a very positive performance, with the DJ EuroStoxx Media index having appreciated by 33.7%, the subsector of stocks of television companies appreciated by 105% and the stocks of the South European countries registered a strong upturn.

During 2013, IMPRESA shares registered a strong appreciation of 251.6%, which was one of the strongest upturns of the Portuguese stock market and also one of the highest recorded by stocks of the media sector. With this performance, the highest gain registered since it was listed on the stock exchange in 2000, IMPRESA received the Prize for the Best Stock Market Performance, in the compartments B and C, awarded by Euronext Lisbon.



The rise in the share price was also accompanied by a recovery in transaction volumes. The average transaction volume of 18.3 thousand shares/day in 2012 declined to 54.3 thousand shares/day in 2013 (+196%). During 2013, IMPRESA maintained a reduced free-float of its shares, of about 14%.

The reduced free-float and weak liquidity changed with the placement in the market of a block of shares representing 23% of the capital, which took place in January 2014. This dispersion resulted in an increase in liquidity and of the free float, which, considering the appreciation registered in 2013, allowed IMPRESA to be elected to return to the PSI 20 index, as of 24 March 2014.

7. Prospects

The macroeconomic environment in 2013 remained difficult and forecasts for 2014 point to a continuation of this environment, in spite of an expected improvement.

In this context, the main objectives of the IMPRESA Group, which will continue with a tight control of operating costs and focused on its market share consolidation, while improving its operational indicators, diversifying revenues, reducing interest-bearing liabilities and to increase its net profits.

B. INDIVIDUAL ACCOUNTS

1. Analysis of Individual Accounts

The Board of Directors of IMPRESA decided to adopt, in the preparation of its individual financial statements, the IAS/IFRS as adopted by the European Union, from 1 January 2009, considering 1 January 2008 as the transition date for the purpose of calculating the conversion adjustments. Hence, the individual financial statements presented since then have been prepared in accordance with these accounting standards.

During 2013, in individual terms, operating results registered a negative value of 3,777.7 thousand euros, in comparison with the negative amount of 2,737.1 thousand euros, obtained in 2012 (not restated).

The financial results were positive by 4,296.6 thousand euros, compared with the negative value of 6,618.6 thousand euros obtained in 2012, as a consequence of the increase in dividends received from companies where Impresa holds shares and the reduction of interest-bearing liabilities, from M€ 20.4, in December 2014, to M€ 15.3 at the end of 2013.

The net income calculated for 2013 was positive, in the amount of 1,146.6 thousand euros, in comparison with the loss of 8,696.1 thousand euros obtained in 2012 (not restated).

2. Proposed appropriation of net income

It is proposed that the positive net income of 1,146,567 euros be applied as follows:

- to the legal reserve .... 57,329 euros
- to retained earnings .... 1,089,238 euros

C. ACTIVITY OF THE NON-EXECUTIVE DIRECTORS

Non-executive directors, in compliance with the duties entrusted to them by law, participated in the meetings of the Board of Directors, namely in meetings where the quarterly, half-year and annual accounts for the financial year of 2012 were appraised and approved, and in the general meetings of shareholders. These directors did not encounter any constraints in the performance of their duties.

Under the terms of the law and IMPRESA Audit Committee regulations, the activity of the non-executive members of the Audit Committee are described in a separate report, which is an integral part of the IMPRESA 2012 Annual Report.

D. ACKNOWLEDGEMENTS

The Board of Directors would like to thank the employees for their effort and dedication shown during the year under analysis, which enabled the results presented to be obtained.

The Board of Directors would also like to thank the Statutory Auditor, Deloitte & Associados, SROC and the following banks for the collaboration provided during the financial year of 2013: Banco BPI, Caixa Geral de Depósitos, Caixa Banco de Investimento, Banco Espírito Santo, Banco Espírito Santo de Investimento, Millennium BCP, Banco Santander Totta, Banco Popular, Montepio Geral and Banco BIC.

Lisbon, March 17th, 2014

The Board of Directors

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Pedro Lopo de Carvalho Norton de Matos

Alexandre de Azeredo Vaz Pinto

António Soares Pinto Barbosa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

Miguel Luís Kolback da Veiga

José Manuel Archer Galvão Teles

IMPRESA

Individual Account's 2013

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

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2013 AND 2012

(Amounts stated in Euros)

(Translation of statements of financial position originally issued in Portuguese - Note 26)

ASSETS	Notes	31 December 2013	31 December 2012 (Restated)	31 December 2012
NON-CURRENT ASSETS				
Investments in group and associated companies	10	182.836.780	165.876.120	165.876.120
Other non-current assets	22.1	279.029	283.792	-
Total current assets		183.115.809	166.159.912	165.876.120
CURRENT ASSETS				
State and other public entities	11	-	236.371	236.371
Other current assets	12	13.503.696	8.855.612	8.855.612
Cash and cash equivalents	13	60.619	47.136	47.136
Total current assets		13.564.315	9.139.119	9.139.119
TOTAL ASSETS		196.680.124	175.299.031	175.015.239
EQUITY AND LIABILITIES				
EQUITY:				
Capital	14	84.000.000	84.000.000	84.000.000
Share premium	15	36.179.271	36.179.271	36.179.271
Legal reserve	16	1.050.761	1.050.761	1.050.761
Other reserves	16	5.730.695	5.730.753	5.528.515
Accumulated losses	16	(8.689.728)	-	-
Net profit/(loss) for the year		1.146.567	(8.689.728)	(8.696.077)
TOTAL EQUITY		119.417.566	118.271.057	118.062.470
LIABILITIES:				
NON-CURRENT LIABILITIES				
Borrowings	17	-	9.917.919	9.917.919
Provisions	10	-	232.740	232.740
Deferred tax liabilities		68.363	75.205	-
Total non-current liabilities		68.363	10.225.864	10.150.659
CURRENT LIABILITIES:				
Borrowings	17	15.329.649	10.471.366	10.471.366
Loans from group companies	18	54.452.323	32.979.650	32.979.650
Trade and other payables	19	288.887	81.002	81.002
State and other public entities	20	5.051.343	107.097	107.097
Other current liabilities	12	2.071.993	3.162.995	3.162.995
Total current liabilities		77.194.195	46.802.110	46.802.110
Total liabilities		77.262.558	57.027.974	56.952.769
TOTAL EQUITY AND LIABILITIES		196.680.124	175.299.031	175.015.239

The accompanying notes form an integral part of the statement of financial position as of 31 December 2013 and 2012.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Amounts stated in Euros)

(Translation of statements of profit and loss or other comprehensive income originally issued in Portuguese - Note 26)

	Notes	31 December 2013	31 December 2012 (Restated)	31 December 2012
OPERATING REVENUE:				
Other operating revenue	3	59	1.718	1.718
OPERATING COSTS:				
External supplies and services	4	(632.809)	(517.800)	(517.800)
Personnel costs	5	(2.807.279)	(1.733.465)	(1.742.103)
Provisions	10	-	(232.740)	(232.740)
Other operating costs	6	(337.703)	(246.141)	(246.141)
Total operating costs		(3.777.791)	(2.730.146)	(2.738.784)
Operating loss		(3.777.732)	(2.728.428)	(2.737.066)
NET FINANCIAL ITEMS:				
Net financial costs	7	(980.746)	(1.139.397)	(1.139.397)
Net gain/(loss) on group companies and associates	7	5.277.307	(5.479.218)	(5.479.218)
		4.296.561	(6.618.615)	(6.618.615)
Profit/(loss) loss before taxes		518.829	(9.347.043)	(9.355.681)
Income tax for the year	8	627.738	657.315	659.604
Net profit/(loss) for the year		1.146.567	(8.689.728)	(8.696.077)
Other comprehensive income				
Items that will not be reclassified to the statement of profit and loss:				
Actuarial gains/(losses)		(58)	(28.151)	-
Comprehensive income for the year		1.146.509	(8.717.879)	(8.696.077)
Earnings for the year per share:				
Basic	9	0,0068	(0,0517)	(0,0518)
Diluted	9	0,0068	(0,0517)	(0,0518)
Comprehensive income for the year per share:				
Basic	9	0,0068	(0,0519)	(0,0518)
Diluted	9	0,0068	(0,0519)	(0,0518)

The accompanying notes form an integral part of the statement of profit or loss and other comprehensive income for the years ended 31 December 2013 and 2012.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Amounts stated in Euros)

(Translation of a statement of changes in equity originally issued in Portuguese - Note 26)

	Capital	Share premium	Legal reserve	Other reserves	Accumulated losses	Net profit/(loss) for the year	Total equity
Balance at 31 December 2012	84.000.000	36.179.271	843.428	1.589.193	-	4.146.655	126.758.547
Effect of restatement (Note 2.3)	-	-	-	230.389	-	-	230.389
Balance at 31 December 2012 (Restated)	84.000.000	36.179.271	843.428	1.819.582	-	4.146.655	126.988.936
Pension plan - actuarial gains/(losses) (Note 22.1)	-	-	-	(38.301)	-	-	(38.301)
Pension plan - deferred tax liability (Note 8)	-	-	-	10.150	-	-	10.150
Total comprehensive income	-	-	-	(28.151)	-	-	(28.151)
Other changes:							
Appropriation of the profit for the year ended 31 December 2011 (Note 16)	-	-	207.333	3.939.322	-	(4.146.655)	-
Net loss for the year ended 31 December 2012 (Restated)	-	-	-	-	-	(8.689.728)	(8.689.728)
Balance at 31 December 2012	84.000.000	36.179.271	1.050.761	5.730.753	-	(8.689.728)	118.271.057
Pension plan - actuarial gains/(losses) (Note 22.1)	-	-	-	(7.594)	-	-	(7.594)
Pension plan - deferred tax liability (Note 8)	-	-	-	1.861	-	-	1.861
Pension plan - effect of change in the rate of tax deferred tax liability (Note 8)	-	-	-	5.675	-	-	5.675
Total comprehensive income	-	-	-	(58)	-	-	(58)
Other changes:							
Appropriation of the net loss for the year ended 31 December 2012 (Note 16)	-	-	-	-	(8.689.728)	8.689.728	-
Net profit for the year ended 31 December 2013	-	-	-	-	-	1.146.567	1.146.567
Balance at 31 December 2013	84.000.000	36.179.271	1.050.761	5.730.695	(8.689.728)	1.146.567	119.417.566

The accompanying notes form an integral part of the statement of changes in financial position for the years ended 31 December 2013 and 2012.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2013 AND 2012

(Amounts stated in Euros)

(Translation of cash flow statements originally issued in Portuguese - Note 26)

	Notes	31 December 2013	31 December 2012
OPERATING ACTIVITIES:			
Cash paid to suppliers		(448.725)	(622.696)
Cash paid to employees		(2.436.304)	(1.770.105)
Cash used in operations		(2.885.029)	(2.392.801)
(Payments) / receipts relating to income taxes		(239.793)	2.504.955
Other cash paid relating to operating activities		(322.038)	(317.447)
Net cash used in operating activities (1)		(3.446.860)	(205.293)
INVESTING ACTIVITIES			
Cash received relating to:			
Dividends	7	5.260.327	5.213.964
Cash paid relating to:			
Capital increases in group companies		-	(1.600.000)
Acquisition of participations		(660)	(1.572.600)
Supplementary capital contributions	10	(17.260.000)	(9.376.480)
Loans to group companies	10	-	(5.341.050)
	10	(17.260.660)	(17.890.130)
Net cash from/(used in) investing activities (2)	12	(12.000.333)	(12.676.166)
FINANCING ACTIVITIES:			
Cash received relating to:			
Borrowings		1.900.000	-
Loans from group companies		21.472.673	14.779.650
		23.372.673	14.779.650
Cash paid relating to:	18		
Borrowings		(5.000.000)	(1.000.000)
Interest and similar costs		(940.631)	(1.042.839)
	17	(5.940.631)	(2.042.839)
Net cash from/(used in) financing activities (3)		17.432.042	12.736.811
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		1.984.849	(144.648)
Cash and cash equivalents at the beginning of the year	13	(1.924.230)	(1.779.582)
Cash and cash equivalents at the end of the year	13	60.619	(1.924.230)

The accompanying notes form an integral part of the cash flow statement
for the years ended 31 December 2013 and 2012.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA

Notes to Financial Individual Statement Account’s 2013

(Amounts stated in Euros)

INTRODUCTORY NOTE

Impresa – Sociedade Gestora de Participações Sociais, S.A. (“the Company” or “Impresa”) has its head-office in Lisbon and was founded on 18 October 1990, its main activities being the management of investments in other companies.

Impresa is the parent company of a group made up of Impresa and its subsidiaries (“Group”). The Group operates in the media industry, namely in television broadcasting, publishing (newspapers and magazines) and other audiovisual activities.

These financial statements were approved for publication by the Board of Directors of Impresa on 17 March 2014.

The Company has also prepared consolidated financial statements in accordance with legislation.

2. MAIN ACCOUNTING POLICIES

2.1 Bases of presentation

The financial statements have been prepared on a going concern basis, from the Company’s accounting records, maintained in accordance with the provisions of IAS/IFRS as endorsed by the European Union, which include the International Accounting Standards (“IAS”) issued by the International Accounting Standards Committee (“IASC”), the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and the related “SIC” and “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 separate financial statements for the first time in 2009 and so, in compliance with IFRS 1 – First-time Adoption of International Financial Reporting Standards (“IFRS 1”), the date of transition from Portuguese generally accepted accounting principles to IFRS rules was 1 January 2008.

Therefore, in compliance with IAS 1, Impresa declares that these financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for the years beginning on 1 January 2013.

2.2 Adoption of new or revised IAS/IFRS

The accounting policies used in the year ended 31 December 2013 are consistent with those used for the preparation of the separate financial statements of Impresa for the year ended 31 December 2012 and referred the corresponding notes, except for the matter disclosed in Note 2.3.

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application in the year ended 31 December 2013:

Standard / Interpretation	Applicable in years starting on or after	
Amendment to IFRS 1 – First time adoption of International Financial Reporting Standards (Government loans)	1-Jan-13	This amendment exempts entities that adopt IFRS for the first time from the retrospective application of the IAS 39 requirements and paragraph 10A of IAS 20 relating to government loans.
Amendment to IFRS 7 – Financial instruments: disclosures (Offsetting financial assets and financial liabilities)	1-Jan-13	This amendment requires additional disclosures relating to financial instruments, especially relating to offsetting financial assets and liabilities.

Applicable for years

(Amounts stated in Euros)

Standard / Interpretation	starting on or after	
Amendment to IAS 1 – Presentation of Financial Statements (Other comprehensive income)	1-Jul-12	This amendment consists of the following changes: (i) the items included in Other Comprehensive Income that will in the future be recognized in the statement of profit or loss must be presented separately; and (ii) the Statement of Comprehensive income will also be called Statement of Profit or Loss and Other Comprehensive Income.
Revision of IAS 19 – Employee benefits	1-Jan-13	This amendment introduced the following changes: (i) actuarial gains and losses resulting from differences between the assumptions used in the determination of the liability and the expected income of the assets, and the amounts effectively realized, as well as those resulting from changes in the actuarial and financial assumptions occurred during the year are recognized by corresponding entry to reserves (other comprehensive income); (ii) a single interest rate becomes applicable to calculate the present value of the liability and the expected return on the plan's assets; (iii) costs recognized in profit or loss correspond only to current service cost and net interest cost ; and (iv) the introduction of new requirements in terms of disclosure.
IFRS 13 – Fair Value measurement (new standard)	1-Jan-13	This standard substitutes the guidelines existing in the various IFRS standards relating to the measurement of fair value. This standard is applicable when another IFRS requires or permits measurements or disclosures of fair value.
Improvements to international financial reporting standards (2009-2011 cycle)	1-Jan-13	These improvements involve the revision of several standards, namely IFRS 1 (repeated application of the standard), IAS 1 (comparative information), IAS 16 (servicing equipment), IAS 32 (tax effect of the distribution of equity instruments) and IAS 34 (segment information).

The effect of the adoption of these standards in the Company's financial statements for the year ended 31 December 2013 is explained in Note 2.3.

(Amounts stated in Euros)

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying financial statements, been endorsed by the European Union:

Standard / Interpretation	Applicable to years starting on or after	
IFRS 10 – Consolidated financial statements	1-Jan-14	This standard established the requirements relating to the presentation of consolidated financial statements of the parent company, substituting, for these matters, standard IAS 27 – consolidated and separate financial statements and SIC 12 – Consolidation – Special Purpose Entities. This standard also introduced new rules regarding the definition of control and determination of the consolidation perimeter.
IFRS 11 – Joint arrangements	1-Jan-14	This standard substitutes IAS 31 – Joint Ventures and SIC 13 – Jointly Controlled Entities – Non Monetary Contributions by Developers, and eliminates the possibility of using the proportional consolidation method for recording interests in joint ventures.
IFRS 12 – Disclosures of interests in other entities	1-Jan-14	This standard establishes a new set of disclosures relating to participations in subsidiaries, joint agreements, associates and entities not consolidated.
IAS 27 – Separate financial statements (2011)	1-Jan-14	This standard restricts the scope of application of IAS 27 to separate financial statements.
IAS 28 – Investments in Associates and Joint Ventures (2011)	1-Jan-14	This amendment ensures consistency between IAS 28 – Investments in Associates and the new standards adopted, especially IFRS 11 – Joint Agreements.
Amendment to standards: • IFRS 10 – Consolidated Financial Statements • IFRS 12 – Disclosures of interests in other entities (Investment Entities)	1-Jan-14	This amendment introduced an exemption from consolidation for certain entities that qualify for the definition of investment entities. It also establishes the rules for measuring investments held by these investment entities.
Amendment to IAS 32 – Offsetting financial assets and liabilities	1-Jan-14	This amendment clarifies certain aspects of the standard relating to the application of the requirements for offsetting financial assets and liabilities .

(Amounts stated in Euros)

Standard / Interpretation	Applicable to years starting on or after	
Amendment to IAS 36 – Impairment (Recoverable amount disclosures for of non-financial assets)	1-Jan-14	This amendment eliminates the disclosure requirements of the recoverable amount of a cash generating unit with goodwill or intangibles of indefinite useful life allocated to periods in which no impairment loss or impairment recovery is recognized. It introduces additional disclosure requirements for assets for which an impairment loss or reversal of impairment is recognized and their recoverable amount has been determined based on fair value less costs to sell.
Amendment to IAS 39 – Financial Instruments: Recognition and measurement (Reformulation of derivatives and continuation of hedge accounting)	1-Jan-14	This amendment permits the continued use of hedge accounting in certain circumstances when a derivative designated as a hedging instrument is reformulated.

The Company did not early adopt any of these standards in its financial statements for the year ended 31 December 2013. However, significant impact on the financial statements is not expected as a result of this adoption.

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying financial statements, not been endorsed by the European Union:

Standard / Interpretation	
IFRS 9 – Financial Instruments (2009) and subsequent amendments	This standard is part of the revision of IAS 39 and establishes the requirements for the classification and measurement of financial assets.
Amendments to standards: • IFRS 9 – Financial Instruments (2013); • IFRS 7 – Financial Instruments Disclosures	The amendment to IFRS 9 is part of the revision of IAS 39 and establishes the requirements for application of the hedge accounting rules. IFRS 7 was also revised as a result of this amendment.
Amendment to IAS 19 – Employee benefits	This amendment establishes the circumstances in which employees' contributions to post-employment benefit plans consist of a decrease in the cost of short term benefits.
Improvements to international financial statement standards (2010-2012 cycle)	These improvements involve the revision of several standards.
Improvements to international financial statement standards (2011-2013 cycle)	These improvements involve the revision of several standards.
IFRIC 21 – Levies	This amendment establishes the conditions as to timing of the recognition of a liability relating to payment by an entity to the State as a result of a specific event (for example, participation in a specific

(Amounts stated in Euros)

market), without the payment having specific goods or services received in exchange.

These standards have not yet been endorsed by the European Union and so have not been applied by the Company in the year ended 31 December 2013.

2.3 Restatement

As a result of the adoption of the revision to IAS 19 (Notes 2.1 and 22.2) the Company restated its financial statements as of 1 January 2012 and 31 December 2012 as follows:

	1 January 2012	31 December 2012
Equity:	126,758,547	118,062,470
Ajustments to reserves	230,389	230,389
Ajustments to comprehensive income	-	(28,151)
Ajustments to net profit or loss for the year	-	6,349
	230,389	208,587
Equity (Restated)	126,988,936	118,271,057

The effect on the statement of financial position as of 1 January 2012 resulting from application of the above mentioned revised standard was as follows:

	1 January 2012	Application of revised IAS 19	1 January 2012 (Restated)
Non-current assets			
Other non-current assets	-	313,454	313,454
Total assets	169,866,137	313,454	170,179,591
Equity			
Retained earnings and other reserves	1,589,193	230,389	1,819,582
Total Equity	126,758,547	230,389	126,988,936
Non-current liabilities:			
Deferred tax liabilities	-	83,065	83,065
Total liabilities	43,107,590	83,065	43,190,655
Total Equity and liabilities	169,866,137	313,454	170,179,591

(Amounts stated in Euros)

The effect on the statement of financial position as of 31 December 2012 resulting from application of the above mentioned revised standard was as follows:

	31 December 2012	Application of revised IAS 19	31 December 2012 (Restated)
Non-current assets			
Other non-current assets	-	283,792	283,792
Total assets	175,015,239	283,792	175,299,031
Equity			
Retained earnings and other reserves	5,528,515	202,238	5,730,753
Net profit or loss for the year	(8,696,077)	6,349	(8,689,728)
Total Equity	118,062,470	208,587	118,271,057
Non-current liabilities			
Deferred tax liabilities	-	75,205	75,205
Total liabilities	56,952,769	75,205	57,027,974
Total Equity and liabilities	175,015,239	283,792	175,299,031

As a result of the above adjustments the statement of profit or loss and other comprehensive income for the year ended 31 December 2012 was restated as follows:

	31 December 2012	Application of revised IAS 19	31 December 2012 (Restated)
Operating costs			
Personnel costs	(1,742,103)	8,638	(1,733,465)
Net operating loss	(2,737,066)	8,638	(2,728,428)
Income tax for the year	659,604	(2,289)	657,315
Net loss for the year	(8,696,077)	6,349	(8,689,728)
Other comprehensive income:			
Actuarial gains/(losses)	-	(38,301)	(38,301)
Deferred tax liabilities	-	10,150	10,150
	-	(28,151)	(28,151)
Comprehensive income	(8,696,077)	(21,802)	(8,717,879)

2.4 Investments in group and associated companies

Equity investments in group and associated companies are recorded at cost, which includes the amount paid plus transaction costs or at deemed cost as of the date of transition to IFRS, which corresponds to the amount recorded as of that date in accordance with generally accepted accounting principles in Portugal. Investments are maintained at cost of acquisition or deemed cost, less any estimated impairment losses, when applicable.

Supplementary capital contributions made by the Company to group and associated companies are recorded at nominal value less any impairment losses. Such contributions are added to the amount of the investment in group and associated companies due to their permanent nature, they do not bear interest and in accordance with the applicable commercial legislation they can only be repaid if, after repayment, equity of the companies is not less than the sum of their capital and non-distributable reserves.

Dividends attributed by group and associated companies are recorded as financial income.

2.5 Financial instruments

2.5.1 Other current assets

Other current assets are initially recorded at their nominal value and are reflected net of any impairment losses. Impairment losses of these assets are recorded when there is objective evidence that all the amounts due will not be collected in accordance with the terms originally established for settlement of the amounts due. The amount of the loss corresponds to the difference between the nominal value and the estimated recoverable value and is recognized in the statement of profit or loss and other comprehensive income for the year.

2.5.2 Cash and cash equivalents

Cash and cash equivalents comprise cash and term deposits 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 borrowings” in the statement of financial position.

2.5.3 Borrowings

Borrowings are initially recognized as liabilities at the amount received, net of expenses relating to their issuance.

Expenses incurred with the issuance of borrowings are recognized in accordance with the amortized cost method, in the statement of profit or loss and other comprehensive income over the period of the loan.

Financial costs relating to bank interest and similar costs, such as stamp tax, are recognized in the statement of profit or loss and other comprehensive income on an accruals basis, the amounts due as of the date of closing the financial statements being classified as “Other current liabilities”.

2.5.4 Borrowings from group companies

Borrowings from group companies are recorded at their nominal value.

2.5.5 Trade and other payables and other current liabilities

Payables are recorded at their nominal value and do not bear interest.

2.6 Provisions and contingent liabilities

Provisions are recognized when there is a present legal or implied obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

The amount of provisions is reviewed and adjusted at each statement of financial position 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, unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

2.7 Pension liability

The Company has assumed the commitment to grant some of its employees and remunerated 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.

The liability for the payment of retirement, incapacity and survival 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 and board members.

Therefore, at the end of each accounting period, the Company 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.

The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gain and losses (other comprehensive income) being recognized in equity (other comprehensive income).

2.8 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS")), which covers all the companies in which Impresa has a direct or indirect participation of at least 90% and comply with the other conditions of the regime. The other companies of the Impresa Group not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

In determining income tax cost for the year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the difference between the book value of assets and liabilities and their corresponding value for tax purposes.

Deferred tax assets and liabilities are calculated and assessed annually using the tax rates expected to be in force when the temporary differences reverse.

Deferred tax assets are only recognised when there is reasonable expectation that there will be sufficient future taxable income to use them. At each statement of financial position date a review of the temporary differences underlying the deferred tax assets is made so as to recognize the deferred tax assets not previously recognized because they did not fulfill the conditions required for them to be recognized and/or reduce the amount of the deferred tax assets based on the current expectation of their future recovery.

2.9 Accruals basis

Costs and income are recorded in the period to which they relate, independently of the date they are paid or received.

Financial costs and income relating to interest are recognized on an accruals basis in accordance with the applicable effective interest rate.

2.10 Classification of the statement of financial position

Assets realizable and liabilities payable in less than one year from the statement of financial position date are classified as current assets and liabilities, respectively.

2.11 Subsequent events

Events that occur after the end of the year that provide additional information of conditions that existed at that date are reflected in the financial statements.

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

2.12 Impairment of assets

Impairment tests are made of assets as of the statement of financial position date and whenever events or changes in circumstances are identified that indicate that the amount of an asset may be impaired.

(Amounts stated in Euros)

Whenever the book value of an asset exceeds its recoverable amount an impairment loss is recognized in the statement of profit or loss and other comprehensive income.

The recoverable amount is the higher of the net selling price 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. Value in use results from future cash flows discounted based on discount rates that reflect the present value of the principal and the specific risk of the assets.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit or loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only up to the amount that would have been recognised had no impairment loss been recognised for the asset in prior years, net of amortisation or depreciation. The reversal of impairment losses is recognised immediately in the statement of comprehensive income.

2.13 Changes in accounting policies and estimates

In addition to the effect of the adoption of revised IAS 19 (Note 2.3) in the year ended 31 December 2013, there were no changes in accounting policies in relation to those used in the financial statements for the year ended 31 December 2012, nor were material errors relating to prior years recognized.

As a result of the uncertainties relating to the operations, the basis used for the amounts estimated is the most recent reliable information available, the main estimates relating to the impairment analyses of the investments, provisions, market value of the financial instruments and pension liability. The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in results and are subject to disclosure when the effect is significant. Estimates are determined based on the best information available at the time of preparing the financial statements.

3. OTHER OPERATING INCOME

Other operating revenue for the years ended 31 December 2013 and 2012 is made up as follows:

	2013	2012
Excess estimate tax	-	282
Other operating income	59	1,436
	59	1,718

4. EXTERNAL SUPPLIES AND SERVICES

This caption for the years ended 31 December 2013 and 2012 is made up as follows:

	2013	2012
Rents (a)	292,765	246,270
Specialized works	198,941	163,711
Others	141,103	107,819
	632,809	517,800

(a) This caption for the years ended 31 December 2013 and 2012 includes 89,784 Euros charged each year by related entities (Note 23).

(Amounts stated in Euros)

5. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2013 and 2012 are made up as follows:

	2013	2012 (Reexpresso)
Remuneration of the corporate boards (Note 23)	878,124	716,774
Personnel remuneration	1,274,936	740,068
Charges on remuneration	428,485	267,448
Others	225,734	9,175
	2,807,279	1,733,465

The Company had an average of 15 and 10 employees during each of the years ended 31 December 2013 and 2012.

6. OTHER OPERARING COSTS

Other operating costs for the years ended 31 December 2013 and 2012 are made up as follows:

	2013	2012
Taxes	255,063	156,387
Subscriptions	81,151	89,418
Other operating costs	1,489	336
	337,703	246,141

7. NET FINANCIAL ITEMS

Net financial items for the years ended 31 December 2013 and 2012 are made up as follows:

	2013	2012
Financial costs:		
Interest	(855,482)	(1,068,139)
Other financial costs	(125,264)	(71,258)
	(980,746)	(1,139,397)
Gain/(loss) on group and associated companies:		
Dividends (a)	5,260,327	5,213,964
Impairment loss on investments in group and associated companies (Note 10)	-	(10,559,857)
Liquidation of Impresa Media Solutions - Sociedade Unipessoal, Lda. ("Impresa Media Solutions") (Note 10)	-	(121,000)
Sale of Castillo de Elsinor, S.L. ("Castillo de Elsinor") (Note 10)	-	(14,383)
Effect of liquidation ofImpresa Serviços – Sociedade Unipessoal, Lda ("Impresa Serviços")	16,980	-
Effect of partition of Impresa Media Solutions	-	2,058
	5,277,307	(5,479,218)
	4,296,561	(6,618,615)

(Amounts stated in Euros)

(a) This caption at 31 December 2013 and 2012 corresponded to dividends received from the following companies (Note 23):

	2013	2012
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	5,160,327	5,213,964
Vasp – Distribuidora de Publicações, Lda. ("Vasp")	100,000	-
	5,260,327	5,213,964

8. DIFFERENCES BETWEEN THE ACCOUNTING AND TAX RESULTS

The Company is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS") together with its subsidiaries: Office Share, Impresa Serviços e Multimédia, Lda. ("ISM"), Impresa Publishing, S.A. ("Impresa Publishing"), SIC, GMTS – Global Media Technology Solutions – Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS"), Medipress - Sociedade Jornalística e Editorial, Lda. ("Medipress") and InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal").

The Company is subject to corporation income tax at the rate of 25% of taxable income. In addition, taxation is increased by a Municipal Surcharge of up to 1.5% of taxable income, resulting in a maximum aggregate tax rate of 26.5%.

Furthermore, taxable income is subject to a State surcharge as follows:

- 3% on taxable profit between 1,500,000 Euros and 7,500,000 Euros;
- 5% for taxable profit exceeding 7,500,000 Euros.

Taxable income for 2014 is subject to Corporation Income Tax at the rate of 23% of taxable income and State surcharge as follows:

- 3% on taxable income between 1,500,000 and 7,500,000 Euros;
- 5% on taxable income between 7,500,000 and 35,000,000 Euros;
- 7% on taxable income exceeding 35,000,000 Euros.

In addition, the deduction of net financial costs for 2013 for determining taxable income of each company individually is conditioned up to the greater of the following limits:

- 3,000,000 Euros;
- 70% of the profit before amortization and depreciation, net financial costs and taxes.

Furthermore, for the year 2014 the deduction of net financial costs for determining taxable income is limited in each year, progressively up to 2017, to the greater of the following:

- 1,000,000 Euros;
- 60% of net profit before amortization and depreciation, net finance costs and taxes.

In 2014 Impresa can opt to apply this regime to the Group's net financial costs for purposes of determining the Group's taxable profit.

In accordance with article 88 of the Corporation Income Tax Code the Company is subject to autonomous taxation on certain charges, at the rates established in that article.

In accordance with current legislation tax returns are subject to review and correction by the tax authorities during a period of four years (five years for social security), except where there have been tax losses, tax benefits have been given or tax inspections, claims or contestations have been made, in which case, depending on the circumstances, the period can be extended or suspended. Therefore the Company's tax returns for the years 2010 to 2013 are still subject to review. The Board of Directors believes that any corrections resulting from revisions/inspections by the tax authorities of these tax returns will not have a significant effect on the financial statements as of 31 December 2013 and 2012.

(Amounts stated in Euros)

In accordance with current legislation tax losses can be carried forward during a period five years after their occurrence for deduction from taxable income generated in that period, limited to 75% of the taxable income in each year, applicable also to tax losses incurred in prior years. As from 1 January 2014 onwards, losses determined in tax periods starting on or after that date are deductible from taxable income of the following twelve taxable periods, the deductible limit being 70% of taxable income.

Because of its legal form, the Company is subject to the tax legislation covering holding companies ("Sociedades Gestoras de Participações Sociais"). In accordance with that legislation, gains and losses in group companies resulting from application of the equity method, dividends received from companies participated in by more by than 10%, gains resulting from the sale of investments and financial expenses relating to the acquisition of investments, are not considered for tax purposes. As a result of legal changes, as from 1 January 2014 the Company ceased being covered by this legislation, becoming subject to the universal participation exemption regime.

At 31 December 2013 and 2012 Impresa and its subsidiaries included in the tax consolidation (RETGS) did not have any tax losses carried forward.

a) Temporary differences – Changes in deferred tax assets

31 December 2013:

	Tax losses carried forward
Balance at 31 December 2012	-
Increases	872,859
Recovery (Note 20)	(872,859)
Balance at 31 December 2013	-

31 December 2012:

	Tax losses carried forward
Balance at 31 December 2011	-
Increases	710,085
Recovery (Note 11)	(710,085)
Balance at 31 December 2012	-

Deferred tax assets resulting from tax losses carried forward, generated during the years ended 31 December 2013 and 2012 were fully used up in the years then ended as a result of the taxable profit calculated by the companies included in the consolidated tax return (RETGS).

b) Temporary differences – Changes in deferred tax liabilities

31 December 2013:

	Pension fund
Balance at 31 December 2012 (Restated)	75,205
Effect of change in the tax rate	(5,675)
Increase/(decrease) with effect on other comprehensive income	(1,861)
Increase/(decrease) with effect on profit or loss	694
Balance at 31 December 2013	68,363

(Amounts stated in Euros)

31 December 2012:

	Pension fund
Balance at 31 December 2011 (Restated)	83,065
Increase/(decrease) with effect on other comprehensive income	(10,150)
Increase/(decrease) with effect on profit or loss	2,289
Balance at 31 December 2012 (Restated)	75,205

c) Tax rate reconciliation

	2013	2012
Profit/(loss) before income tax	518,829	(9,347,043)
Nominal tax rate	25%	25%
Estimated income tax	129,707	(2,336,761)
Permanent differences (i)	(1,001,872)	1,628,965
Adjustment to taxable profit (ii)	63,938	50,481
Insufficiency estimated income tax of prior years	180,490	-
Income tax for the year	(627,738)	(657,315)
Current tax (Notes 11 and 20)	63,938	50,481
Deferred tax generated in the year	(872,165)	(707,796)
Insufficiency estimated income tax of prior years	180,490	-
	(627,738)	(657,315)

(i) These amounts were made up as follows in the years ended 31 December 2013 and 2012:

	2013	2012
Dividends received (Note 7)	(5,260,327)	(5,213,964)
Non tax deductible interest	855,482	809,838
Impairment losses on investments in group and associates companies (Note 7)	-	10,559,857
Provisions (Note 10)	-	232,740
Others, net	397,356	127,389
	(4,007,489)	6,515,860
	25%	25%
	(1,001,872)	1,628,965

(ii) This amount corresponds to corporate income tax taxed autonomously.

d) Tax processes in progress

As a result of a tax inspection carried out to ISM and its related tax procedures, in 2011, 2012 and 2013 Impresa was notified of additional corporation income tax assessments for the years 2008, 2009, 2010 and 2011, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders' loans of BPI (prior shareholder) to Solo (entity merged in prior years into ISM). The reasons alleged by the Tax Administration for this non-acceptance is that the normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are not related to loans obtained for its direct operations. The corrections to taxable income amount to 3,415,295 Euros for 2008, 2,105,621 Euros for 2009, 2,161,788 Euros for 2010 and 3,114,777 Euros for 2011. In January 2012 Impresa was notified of additional corporation income tax assessments for the years 2008 and 2009 of 1,706 Euros and 3 Euros, due to the tax consolidation of Impresa for these years having included tax losses carried forward (used for 2010) to compensate the above mentioned additional assessments. At the end of April 2012 the additional assessments were legally contested.

(Amounts stated in Euros)

In January 2013 Impresa was notified of an additional corporation income tax assessment for 2010, in which taxable income was corrected by 2,161,788 Euros. In June 2013 a contestation of that additional assessment was lodged with the Court.

In December 2013 Impresa was notified of an additional corporate income tax assessment for the year 2011, in which taxable income for 2011 was corrected by 2,334,795 Euros. In March 2014 the period for contesting or refuting the additional assessment was proceeding and in 2014 the Group gave additional bank guarantees of 1,180,162 Euros (Note 25).

The Board of Directors believes, based on the opinion of its lawyers, that the prospects of success of the claims and/or contestation of the actions that it will make, are reasonable and so no provision has been recorded for that tax contingency.

9. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2013 and 2012 were computed as follows:

	2013	2012 (Reexpresso)	2012
Profit/(loss) for the year	1,146,567	(8,689,728)	(8,696,077)
Number of shares (Note 14)	168,000,000	168,000,000	168,000,000
Earnings for the year per share	0.0068	(0.0517)	(0.0518)
Comprehensive income/(loss) for the year	1,146,509	(8,717,879)	(8,696,077)
Number of shares (Note 14)	168,000,000	168,000,000	168,000,000
Comprehensive income for the year per share	0.0068	(0.0519)	(0.0518)

10. INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

The changes in investments in group and associated companies and in the related accumulated impairment losses in the years ended 31 December 2013 and 2012 were as follows:

31 December 2013:

	Investments	Supplementary capital contributions	Total
Investments:			
Balance at 31 December 2012	124,335,370	41,540,750	165,876,120
Increases (a)	660	17,260,000	17,260,660
Decreases (b)	-	(300,000)	(300,000)
Balance at 31 December 2013	124,336,030	58,500,750	182,836,780

(a) The increase in the caption “Investments” refers to the acquisition of a participation in the fund Nexponor – Sociedade Especial de Investimento Imobiliário de Capital Fixo – SICAFI – S.A. (“Nexponor”). The increase in the caption “Supplementary capital contributions” corresponds to supplementary capital contributions made to ISM, Impresa Publishing and Impresa Serviços in the amounts of 14,960,000 Euros, 2,000,000 Euros and 300,000 Euros, respectively.

(b) The decrease in the caption “Supplementary capital contributions” is due to liquidation of Impresa Serviços, which resulted in a gain of 16,980 Euros (Note7).

(Amounts stated in Euros)

31 December 2012:

	Investments	Supplementary capital contributions	Total
Investments:			
Balance at 31 December 2011	131,828,010	32,200,270	164,028,280
Increases (a)	3,172,600	9,376,480	12,549,080
Decreases (b)	(105,383)	(36,000)	(141,383)
Impairment losses (Note 7)	(10,559,857)	-	(10,559,857)
Balance at 31 December 2012	124,335,370	41,540,750	165,876,120

(a) The increase in the caption “Investments” corresponds to the acquisition of NoniusSoft, Software e Consultoria para Telecomunicações, S.A. (“NoniusSoft”) for 1,572,600 Euros and a capital increase in Impresa Publishing in the amount of 1,600,000 Euros. The increase in the caption “Supplementary capital contributions” corresponds to supplementary capital contributions made to Impresa Digital, Impresa Publishing and Office Share, in the amounts of 5,397,000 Euros, 3,500,000 Euros and 479,480 Euros, respectively.

(b) The decrease in the caption “Investments” corresponds to 85,000 Euros relating to Impresa Media Solutions and 20,383 Euros relating to Castillo de Elsinor, S.L. (“Castillo de Elsinor”). The decrease in the caption “Supplementary capital contributions” corresponds to Impresa Media Solutions. The liquidation of Media Solutions generated a loss of 121,000 Euros (Note 7) and the sale of Castillo de Elsinor generated a loss of 14,383 Euros (Note 7), as it was sold for 6,000 Euros.

At 31 December 2013 and 2012 the Company had the following investments in group and associated companies (accounting information of the participations taken from their financial statements prepared in accordance with generally accepted accounting principles in Portugal (“SNC”).

31 December 2013:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisbon	29,370,473	2,229,178	28,725,582	892,778	100%	35,611,372	(10,149,415)	5,500,000	30,961,957
Office Share (a)	Oeiras	16,172,325	7,687,726	1,542,235	321,878	99.89%	5,942,500	-	2,597,180	8,539,680
SIC	Carnaxide	141,241,188	45,049,641	169,752,878	15,721,221	51.00%	88,057,015	-	-	88,057,015
ISM (a)	Lisbon	107,150,875	(18,844,222)	11,742,957	1,248,566	100%	500,000	-	50,400,000	50,900,000
Vasp	Queluz	36,044,522	11,392,976	210,500,919	1,204,798	33.33%	1,910,566	-	-	1,910,566
Lusa	Lisbon	13,015,047	5,894,854	14,476,905	(945,688)	22.35%	890,732	-	-	890,732
NoniusSoft	Maia	n.a	n.a	n.a	n.a		1,572,600	-	-	1,572,600
Visapress - Gestão de Conteúdos dos Media, C.R.L. ("Visapress")	Lisbon	n.a	n.a	n.a	n.a	10.00%	5,000	(5,000)	3,570	3,570
Nexponor	Porto	n.a	n.a	n.a	n.a	0.001%	660	-	-	660
							134,490,445	(10,154,415)	58,500,750	182,836,780

(a) The equity of these investments includes amounts recorded by the Company as supplementary capital contributions in the caption “Permanent loans”.

In 2013 the Company did not identify impairment losses on its investments.

31 December 2012:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisbon	26,009,511	(1,893,711)	29,568,885	(5,608,391)	100%	35,611,372	(10,149,415)	3,500,000	28,961,957
Office Share (a)	Oeiras	16,770,468	7,365,848	1,423,076	97,677	99.89%	5,942,500	-	2,597,180	8,539,680
SIC	Carnaxide	119,053,714	39,446,708	157,004,390	10,118,288	51.00%	88,057,015	-	-	88,057,015
ISM (a)	Lisbon	105,181,481	(35,052,788)	6,506,156	(1,606,498)	100%	500,000	-	35,440,000	35,940,000
Impresa Serviços	Lisbon	1,040,485	(232,740)	5,432,432	(294,953)	100%	50,000	(50,000)	-	-
Vasp	Queluz	31,722,299	10,278,501	192,869,505	526,747	33.33%	1,910,566	-	-	1,910,566
Lusa	Lisbon	14,266,721	6,840,891	19,807,204	2,117,259	22.35%	890,732	-	-	890,732
NoniusSoft	Maia	n.a	n.a	n.a	n.a		1,572,600	-	-	1,572,600
Visapress	Lisbon	n.a	n.a	n.a	n.a	10.00%	5,000	(5,000)	3,570	3,570
							134,539,785	(10,204,415)	41,540,750	165,876,120

(a) The equity of these investments includes amounts recorded by the Company as supplementary capital contributions in the caption “Permanent loans”.

(Amounts stated in Euros)

During the year ended 31 December 2012 the Company identified and recorded impairment losses on investments in Impresa Publishing, Castillo de Elsinor and Impresa Serviços in the amounts of 10,149,415 Euros, 360,442 and 50,000 Euros, respectively (Nota 7). At the end of 2012 the Company sold the participation in Castillo de Elsinor for 6,000.

In addition, the Company recognized a provision of 232,740 Euros on account of its constructive liabilities relating to Impresa Serviços.

Investments in group and associated companies were valued by the Board of Directors considering the cash generating units controlled by the Company, as well as the key assumptions of each, in conformity with the information presented in Note 17 to the consolidated financial statements.

11. STATE AND OTHER PUBLIC ENTITIES - ASSETS

This caption at 31 December 2012 was made up as follows:

	2012
Corporation Income Tax:	
Payments on account under RETGS	177,530
Payments on account of and special payments on account under RETGS, made by SIC (a)	957,925
Corporation income tax generated under RETGS (a)	(848,603)
Estimated income tax (Note 8)	(50,481)
	236,371

(a) The net of these amounts at 31 December 2012 was made up as follows:

Accounts payable generated under RETGS (Note 12)	2,908,567
Accounts receivable generated under RETGS (Note 12)	(3,504,376)
	(595,809)
Tax losses carried forward used under RETGS (Note 8)	710,085
Others	(4,954)
	109,322

12. OTHER CURRENT ASSETS AND IABILITIES

Other current assets at 31 December 2013 and 2012 are made up as follows:

(Amounts stated in Euros)

	2013	2012
Group companies - RETGS (Notes 11, 20 and 23):		
SIC	7,266,940	3,307,269
GMTS	248,669	161,263
Medipress	286,826	-
InfoPortugal	-	35,844
	7,802,435	3,504,376
Group companies (Note 23):		
SIC	201,411	-
Impresa Publishing	115,628	-
	317,039	-
Group companies - Impresa Digital (Note 23)	5,341,050	5,341,050
Others	43,172	10,186
	5,384,222	5,351,236
	13,503,696	8,855,612

Accounts receivable from Group companies at 31 December 2013 and 2012 in the amounts of 7,802,435 Euros and 3,504,376 Euros, respectively, correspond to estimated income taxes, withholdings taxes at source and payments on account of those subsidiaries recorded in accordance with the RETGS (Notes 11 and 20).

Other current liabilities at 31 December 2013 and 2012 are made up as follows:

	2013	2012
Group companies - RETGS (Notes 11, 20 and 23):		
ISM	1,366,129	2,060,785
Office Share	150,031	143,589
InfoPortugal	37,624	-
Impresa Publishing	2,296	9,509
Medipress	-	553,728
Impresa.com	-	82,322
Impresa Serviços	-	52,138
Gesco	-	6,496
	1,556,080	2,908,567
Accrued costs:		
Accrued personnel vacation pay and vacation subsidy	453,720	243,490
Accrued interest	49,699	-
Others	12,494	9,964
	515,913	253,454
Others	-	974
	2,071,993	3,162,995

Accounts payable to group companies in the amounts of 1,556,080 Euros and 2,908,567 Euros at 31 December 2013 and 2012, respectively, correspond to estimated income tax, withholding taxes and payments on account of those subsidiaries recorded under the RETGS (Notes 11 and 20).

13. CASH AND CASH EQUIVALENTS

The caption “Cash and cash equivalents” included in the cash flow statements as of 31 December 2013 and 2012 and the reconciliation thereof to the amount of cash and cash equivalents reflected in the statement of financial position as of those dates are as follows:

(Amounts stated in Euros)

	2013	2012
Bank deposits	58,386	46,949
Cash	2,233	187
	60,619	47,136
Bank overdrafts (Note 17)	-	(1,971,366)
	60,619	(1,924,230)

The caption cash and cash equivalents includes cash and bank deposits payable on demand.

(Amounts stated in Euros)

14. CAPITAL

At 31 December 2013 and 2012, Impresa's fully subscribed and paid up share capital amounted to 84,000,000 Euros, represented by 168,000,000 shares of fifty cents each, which are held as follows, according to the participations reported to CMVM:

	2013		2012	
	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
Ongoing Group:				
Ongoing Energy - SGPS, S.A.	23.43%	19,678,695	0.00%	-
Investoffice - Investimentos e Consultoria Financeira, S.A.	0.32%	267,412	19.22%	16,141,107
CTN – Conteúdos Transnacionais, S.A.	0.00%	-	3.50%	2,940,000
Ongoing Strategy Investments, S.G.P.S., S.A.	0.00%	-	1.30%	1,090,000
Madre - SGPS, S.A.	4.97%	4,172,181	4.97%	4,172,181
BPI Group	3.69%	3,100,000	3.70%	3,105,249
Newshold - SGPS, S.A.	3.21%	2,698,269	0.00%	-
Others	14.08%	11,826,149	17.02%	14,294,169
	100.00%	84,000,000	100.00%	84,000,000

15. SHARE PREMIUM

This caption corresponds to premiums obtained in share capital increases made in previous years. In accordance with current legislation, utilisation of this reserve is subject to the same rules as the legal reserve and so, this amount is not available for distribution to the shareholders, but may be used to absorb losses, once all the other reserves and retained earnings have been exhausted, or to increase capital.

16. RESERVES

At 31 December 2013 and 2012, the caption legal reserve corresponds to the Company's legal reserve recorded in accordance with commercial legislation, which 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 except upon liquidation of the Company, but may be used to absorb losses, once all the other reserves and retained earnings have been exhausted, or to increase capital.

The changes in reserves in 2013 were as follows:

	Legal reserve	Other reserves	Accumulated losses
Balance at 31 December 2012 (Restated)	1,050,761	5,730,753	-
Decreases (a)	-	(58)	(8,689,728)
Balance at 31 December 2013	1,050,761	5,730,695	(8,689,728)

(a) The decrease in these captions is due to the actuarial gains and losses of 58 Euros in the pension plan and the decision of the Shareholders' General Meeting held on 23 April 2013, in which the loss for the year ended 31 December 2012 was transferred in full to the caption "Retained earnings/(accumulated losses)".

(Amounts stated in Euros)

The changes in the reserve captions in the year ended 31 December 2012 were as follows:

	Legal reserve	Other reserves
Balance at 1 January 2012 (Restated)	843,428	1,819,582
Increases (a)	207,333	3,939,322
Decreases (b)	-	(28,151)
Balance at 31 December 2012 (Restated)	1,050,761	5,730,753

(a) The increase in these captions is due to the decision of the Shareholders' General Meeting held on 24 April 2012 to appropriate result for the year ended 31 December 2011 as follows:

Legal reserve	207,333
Free reserves	3,939,322
	4,146,655

(b) The decrease recorded relates to the recording of actuarial gains and losses of the pension plan, net of the tax effect (Notes 8 and 22.1).

17. BORROWINGS

Borrowings at 31 December 2013 and 2012 are made up as follows:

	31 December 2013				31 December 2012			
	Book value		Nominal value		Book value		Nominal value	
Lending entities	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Caixa Geral de Depósitos, S.A. (a)	-	4,000,000	-	4,000,000	4,000,000	5,000,000	4,000,000	5,000,000
Caixa Geral de Depósitos, S.A. (b)	-	5,929,649	-	6,000,000	5,917,919	-	6,000,000	-
Current accounts (c)	-	5,400,000	-	5,400,000	-	3,500,000	-	3,500,000
Bank overdrafts (d)	-	-	-	-	-	1,971,366	-	1,971,366
	-	15,329,649	-	15,400,000	9,917,919	10,471,366	10,000,000	10,471,366

(a) In 2012 the Company restructured this debt through an amendment to its previous contract with Caixa Geral de Depósitos, S.A.. At 31 December 2013, the loan is repayable as follows:

2014	4,000,000

The loan bears interest payable half yearly in arrears at the Euribor six month rate plus a spread of 3.25%.

In guarantee of full compliance with the terms of the loan, Impresa pledged 51% of SIC's share capital (Note 21) and is required to maintain a minimum participation of 51% in SIC. In addition, the loan has certain covenants to be complied with and restrictions relating to the contracting of additional debt and the distribution of dividends, which the Company is in compliance with.

(b) Issuance of commercial paper under a commercial paper program for a period of five years ending on 18 December 2014 for the maximum amount of 6,000,000 Euros. At 31 December 2013 this commercial paper issue bore interest at the Euribor rate plus a spread of 3.5%. Impresa is required to maintain a minimum 51% participation in SIC.

(c) Current accounts that bear interest at normal market rates for similar operations.

(d) The bank overdrafts bear interest at market rates for similar transactions (Note 13).

(Amounts stated in Euros)

During the year ended 31 December 2013 and 2012, the effective interest rates on the loans were as follows:

Financing entities	2013	2012
Caixa Geral de Depósitos, S.A.	3.58%	4.09%
Caixa Geral de Depósitos, S.A.	3.69%	4.07%
Current accounts	6.36%	7.33%

If the interest rates had been 0.5% higher or lower in 2013 and 2012, net result for these years would have decreased or increased by approximately 84,000 Euros and 95,000 Euros, respectively.

The requirements regarding maintenance of the main participations in subsidiaries are being complied with and, as regards the remaining covenants there are no situations of non-compliance as, for all the situations necessary, waivers were obtained from all the financing entities prior to 31 December 2013.

18. LOANS FROM GROUP COMPANIES

Loans from group companies at 31 December 2013 and 2012 are made up as follows (Note 23):

	2013	2012
SIC	47,552,323	26,079,650
Impresa Publishing	6,900,000	6,900,000
	54,452,323	32,979,650

19. TRADE AND OTHER PAYABLES

Trade and other payables at 31 December 2013 and 2012 are made up as follows:

	2013	2012
SIC (Note 23)	154,715	14,162
Impresa Publishing (Note 23)	5,612	6,487
Other trade payables	128,560	60,353
	288,887	81,002

20. STATE AND OTHER PUBLIC ENTITIES – LIABILITIES

Taxes payable at 31 December 2013 and 2012 are made up as follows:

	2013	2012
Corporation income tax:		
Payments on account and special payments on account generated under RETGS	(657,659)	-
Corporate income tax generated under RETGS (a)	5,373,496	-
Estimated income tax (Note 8)	63,938	-
Personal income tax	196,058	58,969
Social Security contributions	75,510	48,128
	5,051,343	107,097

(Amounts stated in Euros)

(a) This amount was made up as follows at 31 December 2013:

	2013
Accounts payable generated under RETGS (Note 12)	(1,556,080)
Accounts receivable generated under RETGS (Note 12)	7,802,435
	6,246,355
Tax losses of the Company carried forward and used during the year under RETGS (Note 8)	(872,859)
	5,373,496

21. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At 31 December 2013 Impresa had pledged 51% of the capital of the subsidiary SIC in guarantee of the loan from Caixa Geral de Depósitos, S.A. (Note 17).

At 31 December 2013 Impresa had pledge the quotas of Medipress in guarantee of loans contracted by that subsidiary from Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A..

As a result of the loans to ISM and SIC, Impresa must keep all the share capital of these subsidiaries and at least 51% of the capital of SIC and, in addition, Impreger must not reduce its participation in Impresa to below 50.1%. As a result of a loan to Impresa Publishing, Impresa must maintain its participation in that subsidiary to more than 50%.

At 31 December 2013 the Company had requested the issuance of bank guarantees totalling 1,811,648 Euros in favour of the Tax Department in guarantee of tax execution processes resulting from correction of corporate taxable income for the year 2010 and another guarantee of 145,000 Euros in favour of that entity.

At 31 December 2012 there were actions brought about by third parties against Impresa, the amounts of which and outcome were unknown at that date. In July 2013 the Group was informed that the Ongoing Group had renounced from all its requests under actions brought about in the courts in prior years against the Group. Some of the actions had been judged as unfounded in the first instance. Ratifying sentences of the desistence were issued in 2013.

22. COMMITMENTS ASSUMED

22.1 Pensions

Impresa has assumed commitments to pay its employees and remunerated members of the Board of Directors hired before 5 July 1993, 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 defined as being the amounts in 2002.

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

In accordance with an actuarial study made by the entity managing the fund, the present value of the above mentioned past service liability for current and retired employees as of 31 December 2013 was estimated at 713,146 Euros and the amount of the fund at that date was 992,175 Euros.

(Amounts stated in Euros)

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

	2013	2012
Discount rate	4.00%	4.00%
Salary growth rate	0%	0%
Pension growth rate	0%	0%
Actuarial tables:		
Mortality	TV 88/90	TV 88/90
Incapacity	EVK 80	EVK 80
Decreases due to incapacity	100% EVK 80	100% EVK 80
Retirement age	65 years	65 years

The rate used was determined based on market income rates for high quality corporate bonds, consistent with the currency and the expected period of the benefits.

The method used was based on the creation of an adjusted interest rate curve, considering the income of a high quality corporate bond which covers several maturities. For this, a Eurozone interest rate swap curve was considered, obtaining, through the bootstrapping method, a zero coupon curve. The interest rate curve used resulted in the application of a risk spread to the zero coupon curve obtained. To determine the spread, the *iTraxx Europe Main* índex was used, that covers European corporate debt securities with an investment grade rating, therefore being considered of high quality. The rates for the intermediate term were obtained by straight-line interpolation, and for terms of less than 3 or more than 10 years a constant rate was used.

The pension fund is exposed to the following risks:

- <u>Fund profitability risk</u>
  Definition of an investment policy is the responsibility of Impresa, with the advice of the Managing Entity, respecting the limits and restrictions defined for each class of investment. Caixa Gestão de Activos, S.A. is the entity responsible for implementing the strategy and managing the financial assets of the Pension Fund. The securities held are selected considering the defined guidelines, taking into account the economic-financial realities and evolution of the market.

  The investment policy follows a benchmark management model, which defines the maximum limits of exposure for each class of assets and reference indices for each, against which performance is measured.

  There are some deviations between the makeup of the portfolio allocated and the benchmark, due to the significant cash component. This is due in part to the significant excess financing of the fund.

  The composition of the portfolio of assets obeys a set of rules aimed at, through systematic spreading of risks and a benchmark process, referencing and measuring the performance and risk of the portfolio, ensuring that the principles of diversification and spreading of risk are met.

  There are also precise guidelines regarding the quality of credit that establish minimum credit notations and limit the universe of investments.

  Financial flow projections were made for the liabilities up to the end of the useful life of the Pension Fund.

  This management model, not being specifically aimed at minimizing the mismatch between assets and liabilities, is justified as the residual maturity of the past service liability exceeds 70 years and its duration is of approximately 12 years, which makes an effective immunization strategy difficult. This strategy does not invalidate the rebalancing of the portfolio, considering the evolution of the liability.

  In the year ended 31 December 2013 the profitability of the fund was 3.8%, which is lower than the discount rate used. Expected income from the assets, considering the defined benchmark, is 1.13% which is lower than the rate of 4% considered for the projection.

(Amounts stated in Euros)

- Exchange risk
  The portfolio is preferably made up of securities in the same currency as that of the liability, that is Euros. At 31 December 2013 the percentage of the portfolio exposed to exchange risk was 0.19%.

- Liquidity risk
  At 31 December 2013 the Pension Fund had pension liabilities in payment which, due to the evaluation of its liquidity, was considered in the composition of the portfolio. Therefore, at that date the percentage of the portfolio invested in the monetary market was 22%, and so cash in the portfolio was sufficient to cover the payment of expected pensions over the next four years.

- Credit risk
  The control of credit risk takes into consideration the maturities of each security and is made in aggregate terms, considering separately both the fixed and the variable rate. The investment policy stipulates a minimum investment grade notation or equivalent for any security to be acquired.

  At 31 December 2013, 84.73% of the portfolio consisted of BBB- grade or better securities. The securities in question are analysed and are only maintained in the portfolio if the user is comfortable with them, as well as their maturity, being permanently monitored.

  In addition, sensitivity analyses of variations were made of the portfolio of assets, as regards interest rates in both the share and real estate markets. Therefore, for the fixed income component, increases in the interest rate curve of 1% and 2% and decreases of 10% and 15% were considered simultaneously for the share and real estate markets, it having been determined that in any of the simulations made, the amount of the portfolio is sufficient to cover the minimum level of solvency.

  Furthermore, so as to assess the adequacy of the relationship between the assets and the liability, which in the sensitivity analyses made of the portfolio of assets to the various types of asset risk which, despite the expected profitability of the assets being lower than the discount rate used, if this scenario is maintained, it is not expected that it will be necessary to make any contribution to the Fund for the next 20 years.

The changes in the amount of the past service liability to current and retired employees and the amount of the assets of the Company's plan in the years ended 31 December 2013 and 2012 were as follows:

	2013	2012
Present value of the liability for defined benefits at the beginning of the year	713,452	642,646
Benefits paid	(41,686)	(41,686)
Current service cost	8,521	7,035
Interest cost	27,704	31,090
Actuarial losses	5,155	74,367
Present value of the liability for defined benefits at the end of the year	713,146	713,452
Plan assets at the beginning of the year	997,244	956,100
Benefits paid	(41,686)	(41,686)
Interest of the plan	39,056	46,763
Financial loss	(2,439)	36,067
Plan assets at the end of the year	992,175	997,244
Surplus	279,029	283,792

The detail of the Group's pension fund's assets is disclosed in the notes to the consolidated financial statements.

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

(Amounts stated in Euros)

The financial gain and loss resulting from differences between the assumptions used in determining the expected income from the assets and the effective amounts and the actuarial gain and loss between the assumptions used in determining the liability, were recorded as income and costs recognized directly in equity, as other comprehensive income. The remaining income and costs were recorded in the statement of profit or loss.

	2013	2012
Amounts recognized in the statement of profit or loss:		
Current service cost	(8,521)	(7,035)
Interest rate cost of the plan	(27,704)	(31,090)
Plan interest	39,056	46,763
	2,831	8,638
Amounts recognized as other comprehensive income:		
Actuarial (gains)/losses	5,155	(74,367)
Financial loss	2,439	36,066
	7,594	(38,301)

22.2 Operating leases

The operating lease contracts in force do not have contingent lease instalments. The operating lease contracts mature as follows:

	2013	2012
Within one year	124,940	95,302
From one to five years	130,250	152,534
	255,190	247,836

In 2013 and 2012, the Group recognized in the statements of profit or loss and other comprehensive income the amounts of approximately 95,000 Euros and 123,000 Euros, respectively, relating to operating lease contracts.

23. RELATED PARTIES

All the subsidiaries and associated companies belonging to the Impresa Group identified in the consolidated financial statements and the shareholder Impreger are considered as related parties.

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 the Impresa's Managing Director and Board of Directors, which is made up only of members of the Board of Directors. In the years ended 31 December 2013 and 2012 transactions with the Board of Directors corresponded essentially to remuneration paid for performing their functions in the Impresa Group.

(Amounts stated in Euros)

The balances at 31 December 2013 and 2012 and transactions during the years then ended with related parties were as follows:

	2013	2012
Transactions:		
Rent cost incurred (Note 4)	89,784	89,784
Personnel costs (Note 5)	878,124	716,774
Dividends received (Note 7)	5,260,327	5,213,964
Balances:		
Cash and cash equivalents (a)	10,522	34
Receivables (Note 12)	13,460,524	8,845,426
Loans obtained (Note 18)	54,452,323	32,979,650
Payables (Notes 12 and 19)	1,716,407	2,929,216

(a) These balances correspond essentially to bank deposits at Banco BPI, S.A..

In the year ended 31 December 2013 pension supplements of 184,739 Euros were paid by the pension fund to a director. In the years ended 31 December 2012 no pension supplements were paid by the pension fund to related parties.

In these years no long term benefits relating to termination of contracts or payments in shares were attributed to members of the Board of Directors.

24. RISK MANAGEMENT

Risk is managed on a consolidated basis and so Note 40 of the consolidated financial statements should be consulted on this matter.

25. SUBSEQUENT EVENTS

In January 2014 the Ongoing Group sold a 23.13% participation in Impresa, ceasing to have a qualified participation.

In March 2014 the period to claim or refute the additional corporate income tax assessments received in December 2013 was running, the Group having submitted bank guarantees in the amount of 1,180,162 Euros relating to it (Note 8).

26. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE ACCOUNTANT　　　　THE BOARD OF DIRECTORS

IMPRESA

Consolidated Accounts 2013

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

CONSOLIDATED SATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER 2013 AND 2012

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 42)

ASSETS	Notes	31 December 2013	31 December de 2012 (Restated)	31 December 2012
NON-CURRENT ASSETS				
Goodwill	17	300.892.821	300.892.821	300.892.821
Intangible assets	18	329.667	446.692	446.692
Tangible fixed assets	19	29.291.053	30.621.140	30.621.140
Investments	20	6.736.787	6.576.068	6.576.068
Investment properties	22	6.151.963	6.231.074	6.231.074
Program broadcasting rights	23	8.591.730	12.290.879	12.290.879
Other non-current assets	26	6.298.622	6.399.058	4.908.501
Deferred tax assets	15	1.269.646	1.689.961	1.689.961
Total non-current assets		359.562.289	365.147.693	363.657.136
CURRENT ASSETS:				
Program broadcasting rights	23	17.106.269	17.814.776	17.814.776
Inventories	23	2.197.058	2.015.074	2.015.074
Trade and other receivables	24	37.456.394	28.843.939	28.843.939
State and other public entities	25	50.883	719.779	719.779
Other current assets	26	4.070.411	4.611.400	4.611.400
Cash and cash equivalents	27	1.434.564	1.890.379	1.890.379
Total current assets		62.315.579	55.895.347	55.895.347
TOTAL ASSETS		421.877.868	421.043.040	419.552.483

EQUITY AND LIABILITIES	Notes	31 December 2013	31 December de 2012 (Restated)	31 December 2012
EQUITY:				
Share capital	28	84.000.000	84.000.000	84.000.000
Share premium	28	36.179.272	36.179.272	36.179.272
Legal reserve	28	1.050.761	1.050.761	1.050.761
Retained earnings/(accumulated losses) and other reserves		(962.340)	3.982.795	2.565.037
Consolidated net profit/(loss) loss for the year		6.597.529	(5.224.679)	(4.893.713)
Equity attributable to shareholders of the parent company		126.865.222	119.988.149	118.901.357
Equity attributable to non-controlling interest	29	-	59.926	59.926
TOTAL EQUITY		126.865.222	120.048.075	118.961.283
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Borrowings	30	126.592.167	146.121.284	146.121.284
Finance leases	31	8.066.251	10.984.550	10.984.550
Provisions	32.2	5.894.373	5.135.011	5.135.011
Deferred tax liabilities	15	472.581	403.765	-
Total non-current liabilities		141.025.372	162.644.610	162.240.845
CURRENT LIABILITIES:				
Borrowings	30	63.063.025	59.858.586	59.858.586
Trade and other payables	33	40.964.269	34.121.906	34.121.906
Finance leases	31	3.028.626	3.710.383	3.710.383
State and other public entities	34	14.380.353	7.994.709	7.994.709
Other current liabilities	35	32.551.001	32.664.771	32.664.771
Total current liabilities		153.987.274	138.350.355	138.350.355
TOTAL EQUITY AND LIABILITIES		421.877.868	421.043.040	419.552.483

The accompanying notes form an integral part of the consolidated statement of financial position as of 31 December 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Amounts stated in Euros)

(Translation of consolidated statements of comprehensive income originally issued in Portuguese - Note 42)

	Notes	31 December 2013	31 December 2012 (Restated)	31 December 2012
OPERATING REVENUE				
Services rendered	9	204.016.280	191.965.927	191.965.927
Sales	9	31.454.365	34.097.865	34.097.865
Other operating revenue	10	1.706.353	2.493.986	2.993.986
Total operating revenue		237.176.998	228.557.778	229.057.778
OPERATING EXPENSES				
Cost of programs broadcast and goods sold	11	(79.157.048)	(81.523.927)	(81.523.927)
External supplies and services	12	(71.657.035)	(64.165.304)	(64.165.304)
Personnel costs	13	(52.385.372)	(59.657.771)	(59.719.406)
Amortisation and depreciation	18 and 19	(5.259.100)	(7.116.916)	(7.116.916)
Provisions and impairment losses	32	(1.280.052)	(4.268.261)	(4.268.261)
Other operating expenses	10	(2.346.920)	(2.641.235)	(2.641.235)
Total operating expenses		(212.085.527)	(219.373.414)	(219.435.049)
Operating profit/(loss)		25.091.471	9.184.364	9.622.729
NET FINANCIAL EXPENSES				
Gain / (loss) on associated companies	14	260.059	313.438	313.438
Interest and other financial costs	14	(12.120.760)	(13.720.132)	(13.720.132)
Other financial income	14	58.750	57.417	57.417
		(11.801.951)	(13.349.277)	(13.349.277)
Profit/(loss) before taxes		13.289.520	(4.164.913)	(3.726.548)
Income tax expense	15	(6.691.991)	(1.054.665)	(1.162.064)
Consolidated net profit/(loss) for the year		6.597.529	(5.219.578)	(4.888.612)
Other comprehensive income				
Items that will not be recladssified to the statement of profit and loss				
Actuarial gains/(losses)		354.618	30.692	-
Comprehensive income for the year		6.952.147	(5.188.886)	(4.888.612)
Profit/(loss) for the year attributable to:				
Shareholders of the parent company		6.597.529	(5.224.679)	(4.893.713)
Non-controlling interest	29	-	5.101	5.101
		6.597.529	(5.219.578)	(4.888.612)
Comprehensive income for the year attributale to:				
Shareholders of the parent company		6.952.147	(5.193.987)	(4.893.713)
Non-controlling interest		-	5.101	5.101
		6.952.147	(5.188.886)	(4.888.612)
Earnings per share:				
Basic	16	0,0393	(0,0311)	(0,0291)
Diluted	16	0,0393	(0,0311)	(0,0291)
Comprehensive income for the year per share:				
Basic	16	0,0414	(0,0309)	(0,0291)
Diluted	16	0,0414	(0,0309)	(0,0291)

The accompanying notes form an integral part of the statement of profit or loss and other comprehensive income for the years ended 31 December 2013 and 2012.

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

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2013 AND 2012

(Amounts stated in Euros)

(Translation of cash flow statements originally issued in Portuguese - Note 42)

	Notes	2013	2012
OPERATING ACTIVITIES			
Cash receipts from customers		227.344.185	223.107.054
Cash paid to suppliers		(138.396.417)	(133.473.328)
Cash paid to employees		(53.491.906)	(58.788.976)
Cash generated from operations		35.455.862	30.844.750
Payments relating to income taxes		(1.246.591)	(1.980.247)
Other cash paid relating to operating activities		(2.004.279)	(1.908.612)
Net cash from operating activities (1)		32.204.992	26.955.891
INVESTING ACTIVITIES			
Cash received relating to:			
Sale of investments		-	1.679.176
Tangible fixed assets		-	666
Intangible assets		-	11.391
Dividends from associates	20	100.000	-
Interest and other similar income		48.377	46.230
Subsidies		321.374	319.011
		469.751	2.056.474
Cash paid relating to:			
Aquisition of investments	7 and 20	(135.660)	(1.572.600)
Tangible fixed assets		(1.034.220)	(914.485)
Intangible assets		(127.891)	(123.426)
Investment properties		-	(1.240)
		(1.297.771)	(2.611.751)
Net cash used in investing activities (2)		(828.020)	(555.277)
FINANCING ACTIVITIES			
Cash received relating to:			
Bank borrowings		17.251.500	20.000.000
		17.251.500	20.000.000
Cash paid relating to:			
Bank borrowings		(25.492.198)	(27.688.597)
Payments relating to finance leases		(3.600.056)	(4.185.800)
Interest and similar costs		(11.612.855)	(13.463.374)
		(40.705.109)	(45.337.771)
Net cash used in investing activities (3)		(23.453.609)	(25.337.771)
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		7.923.363	1.062.843
Changes in consolidation perimeter	7	-	(23.765)
Cash and cash equivalents at the beginning of the year	27	(14.324.576)	(15.363.654)
Cash and cash equivalents at the end of the year	27	(6.401.213)	(14.324.576)

The accompanying notes form an integral part of the cash flow statement for the years ended 31 December 2013 and 2012.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(amounts stated in Euros)

(Translation of statements of changes in equity originally issued in Portuguese - Note 42)

	Equity attributable to the shareholders of the parent company						Equity attributable to non-controlling interest (Note 29)	Total equity
	Share capital	Share premium	Legal reserve	(Accumulated losses)/ retained earnings and other reserves	Consolidated net profit/(loss) for the year	Total		
Balance at 1 January 2012	84.000.000	36.179.272	843.428	37.831.128	(35.058.758)	123.795.070	54.825	123.849.895
Effect of restatement (Note 2.21)	-	-	-	1.387.066	-	1.387.066	-	1.387.066
Balance at 1 January 2012 (Restated)	84.000.000	36.179.272	843.428	39.218.194	(35.058.758)	125.182.136	54.825	125.236.961
Pension plan - actuarial gains/(losses) (Note 37.1)	-	-	-	41.758	-	41.758	-	41.758
Pension plan - deferred tax liability (Note 15)	-	-	-	(11.066)	-	(11.066)	-	(11.066)
Total comprehensive income	-	-	-	30.692	-	30.692	-	30.692
Other changes:								
Appropriation of net consolidated loss for the year ended 31 December 2011 (Note 28)	-	-	207.333	(35.266.091)	35.058.758	-	-	-
Consolidated net loss for the year ended 31 December 2012 (Restated)	-	-	-	-	(5.224.679)	(5.224.679)	5.101	(5.219.578)
Balance at 31 December 2012	84.000.000	36.179.272	1.050.761	3.982.795	(5.224.679)	119.988.149	59.926	120.048.075
Pension plan - actuarial gains/(lossoss) (Note 37.1)	-	-	-	418.596	-	418.596	-	418.596
Pension plan - deferred tax liability (Note 15)	-	-	-	(111.324)	-	(111.324)	-	(111.324)
Pension plan - effect of change in the rate of income tax on deferred tax liability (Note 15)	-	-	-	47.346	-	47.346	-	47.346
Total comprehensive income	-	-	-	354.618	-	354.618	-	354.618
Other changes:								
Appropriation of net consolidated loss for the year ended 31 December 2012 (Note 28)	-	-	-	(5.224.679)	5.224.679	-	-	-
Net consolidated profit for the year ended 31 December 2013	-	-	-	-	6.597.529	6.597.529	-	6.597.529
Acquisition of additional participations in subsidiaries (Note 7)	-	-	-	(75.074)	-	(75.074)	(59.926)	(135.000)
Balance at 31 December 2013	84.000.000	36.179.272	1.050.761	(962.340)	6.597.529	126.865.222	-	126.865.222

The accompanying notes form an integral part of the consolidated statement of changes in equity for the years ended 31 December 2013 and 2012.

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Notes to Financial Consolidated Statement's 2013

(Amounts stated in Euros)

INTRODUCTORY NOTE

Impresa – Sociedade Gestora de Participações Sociais, S.A. ("Impresa") has its head-office in Lisbon, in Rua Ribeiro Sanches, 65, it was founded on 18 October 1990 and its main activity is the management of investments in other companies.

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 (newspapers and magazines) and other audiovisual activities.

The accompanying financial statements were approved for publication by the Board of Directors of Impresa on 17 March 2014.

2. MAIN ACCOUNTING POLICIES

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 (Note 4), adjusted in accordance with the provisions of IAS/IFRS as endorsed by the European Union, which include the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC"), the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the related "SIC" and "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 for 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 from Portuguese generally accepted accounting principles to IFRS rules was 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 endorsed by the European Union, in force for years beginning on 1 January 2013.

2.2 Adoption of new or revised IAS/IFRS

The accounting policies used in the year ended 31 December 2013 are consistent with those used for the preparation of the consolidated financial statements of Impresa for the year ended 31 December 2012 and, referred in the corresponding notes, except for the matter disclosed in Note 2.21.

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application in the year ended 31 December 2013:

Standard / Interpretation	Applicable in years starting on or after	
Amendment to IFRS 1 – First time adoption of International Financial Reporting Standards (Government loans)	1-Jan-13	This amendment exempts entities that adopt IFRS for the first time from the retrospective application of the IAS 39 requirements and paragraph 10A of IAS 20 relating to government loans.
Amendment to IFRS 7 – Financial instruments: disclosures (Offsetting financial assets and financial liabilities)	1-Jan-13	This amendment requires additional disclosures relating to financial instruments, especially relating to offsetting financial assets and liabilities.

(Amounts stated in Euros)

Amendment to IAS 1 – Presentation of Financial Statements (Other comprehensive income)	1-Jul-12	This amendment consists of the following changes: (i) the items included in Other Comprehensive Income that will in the future be recognized in the statement of profit or loss must be presented separately; and (ii) the Statement of Comprehensive income will also be called Statement of Profit or Loss and Other Comprehensive Income.
Revision of IAS 19 – Employee benefits	1-Jan-13	This amendment introduced the following changes: (i) actuarial gains and losses resulting from differences between the assumptions used in the determination of the liability and the expected income of the assets, and the amounts effectively realized, as well as those resulting from changes in the actuarial and financial assumptions occurred during the year are recognized by corresponding entry to reserves (other comprehensive income); (ii) a single interest rate becomes applicable to calculate the present value of the liability and the expected return on the plan's assets; (iii) costs recognized in profit or loss correspond only to current service cost and net interest cost ; and (iv) the introduction of new requirements in terms of disclosure.
IFRS 13 – Fair Value measurement (new standard)	1-Jan-13	This standard substitutes the guidelines existing in the various IFRS standards relating to the measurement of fair value. This standard is applicable when another IFRS requires or permits measurements or disclosures of fair value.
Improvements to international financial reporting standards (2009-2011 cycle)	1-Jan-13	These improvements involve the revision of several standards, namely IFRS 1 (repeated application of the standard), IAS 1 (comparative information), IAS 16 (servicing equipment), IAS 32 (tax effect of the distribution of equity instruments) and IAS 34 (segment information).

The effect of the adoption of these standards on the Company's consolidated financial statements for the year ended 31 December 2013 is explained in Note 2.21.

(Amounts stated in Euros)

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying consolidated financial statements, been endorsed by the European Union:

Standard / Interpretation	Applicable to years starting on or after	
IFRS 10 – Consolidated financial statements	1-Jan-14	This standard established the requirements relating to the presentation of consolidated financial statements of the parent company, substituting, for these matters, standard IAS 27 – consolidated and separate financial statements and SIC 12 – Consolidation – Special Purpose Entities. This standard also introduced new rules regarding the definition of control and determination of the consolidation perimeter.
IFRS 11 – Joint arrangements	1-Jan-14	This standard substitutes IAS 31 – Joint Ventures and SIC 13 – Jointly Controlled Entities – Non Monetary Contributions by Developers, and eliminates the possibility of using the proportional consolidation method for recording interests in joint ventures.
IFRS 12 – Disclosures of interests in other entities	1-Jan-14	This standard establishes a new set of disclosures relating to participations in subsidiaries, joint agreements, associates and entities not consolidated.
IAS 27 – Separate financial statements (2011)	1-Jan-14	This standard restricts the scope of application of IAS 27 to separate financial statements.
IAS 28 – Investments in Associates and Joint Ventures (2011)	1-Jan-14	This amendment ensures consistency between IAS 28 – Investments in Associates and the new standards adopted, especially IFRS 11 – Joint Agreements.
Amendment to standards: • IFRS 10 – Consolidated Financial Statements • IFRS 12 – Disclosures of interests in other entities (Investment Entities)	1-Jan-14	This amendment introduced an exemption from consolidation for certain entities that qualify for the definition of investment entities. It also establishes the rules for measuring investments held by these investment entities.
Amendment to IAS 32 – Offsetting financial assets and liabilities	1-Jan-14	This amendment clarifies certain aspects of the standard relating to the application of the requirements for offsetting in financial assets and liabilities .

(Amounts stated in Euros)

Amendment to IAS 36 – Impairment (Recoverable amount disclosure for of non-financial assets)	1-Jan-14	This amendment eliminates the disclosure requirements of the recoverable amount of a cash generating unit with goodwill or intangibles of indefinite useful life allocated to periods in which no impairment loss or impairment recovery is recognized. It introduces additional disclosure requirements for assets for which an impairment loss or reversal of impairment is recognized and their recoverable amount has been determined based on fair value less costs to sell.
Amendment to IAS 39 – Financial Instruments: Recognition and measurement (Reformulation of derivatives and continuation of hedge accounting)	1-Jan-14	This amendment permits the continued use of hedge accounting in certain circumstances when a derivative designated as a hedging instrument is reformulated.

The Group did not early adopt any of these standards early in its consolidated financial statements for the year ended 31 December 2013. However, significant impact on the consolidated financial statements is not expected as a result of this adoption.

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying financial statements, not been endorsed by the European Union:

Standard / Interpretation	
IFRS 9 – Financial Instruments (2009) and subsequent amendments	This standard is part of the revision of IAS 39 and establishes the requirements for the classification and measurement of financial assets.
Amendments to standards: • IFRS 9 – Financial Instruments (2013); • IFRS 7 – Financial Instruments Disclosures	The amendment to IFRS 9 is part of the revision of IAS 39 and establishes the requirements for application of the hedge accounting rules. IFRS 7 was also revised as a result of this amendment.
Amendment to IAS 19 – Employee benefits	This amendment establishes the circumstances in which employees' contributions to post-employment benefit plans consist of a decrease in the cost of short term benefits.
Improvements to international financial statement standards (2010-2012 cycle)	These improvements involve the revision of several standards.
Improvements to international financial statement standards (2011-2013 cycle)	These improvements involve the revision of several standards.
IFRIC 21 – Levies	This amendment establishes the conditions as to timing of the recognition of a liability relating to payment by an entity to the State as a result of a specific event (for example, participation in a specific market), without the payment having specific goods or services received in exchange.

These standards have not yet been endorsed by the European Union and so have not been applied by the Group in the year ended 31 December 2013.

2.3 Consolidation principles

The consolidation methods used by the Group were as follows:

a) Controlled companies

Investments in companies in which the Group holds, directly or indirectly, the majority of the voting rights in Shareholders' General Meetings or has the power to control their financial and operating policies have been included in these consolidated financial statements by the full consolidation method. Shareholders' equity and net profit and loss of these companies corresponding to third party participation in them are presented separately in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income under the caption "Non-controlling interest". The controlled companies included in the consolidated financial statements are listed in Note 4.

Where losses applicable to non-controlling shareholders exceed non-controlling interest in the subsidiary's equity, the Group absorbs the excess plus any additional losses, except where the non-controlling shareholders have an obligation to cover the losses or have manifested their intention to do so and it is estimated that they have the capacity to do so. If the subsidiary subsequently reports profits, the Group recognises all such profits until it has recovered the non-controlling portion of the losses previously recognised.

The assets and liabilities of subsidiaries are reflected at their respective fair values at the date of acquisition of the subsidiary. 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 identified net assets, the difference is recognised as income in the consolidated statement of profit or loss and other comprehensive income for the year of the acquisition.

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

Changes in the Group's participation in companies already controlled, which do not result in loss of control are recorded in equity. Consequently, the Group's interest and non-controlling shareholders' interest in these companies are adjusted so as to reflect the changes in the control of the subsidiaries. The differences between the non-controlling interests acquired or sold and the fair value of the purchase or sale, respectively, are recognized in equity.

Transactions, balances and dividends distributed between companies included in the consolidation are eliminated on consolidation. Capital gains resulting from the sale of participated companies within the Group are also eliminated in consolidation.

b) 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 their operating and financial policies.

Investments in associated companies (Note 5) 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 cost and the proportion of equity held in the companies, 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 net results of the associated companies, by other changes in their equity, as well as by the recognition of impairment losses by corresponding entry to "Net financial gain and loss" (Note 14).

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

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 to its creditors. If afterwards the associated company reports 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 of investments in associated companies on an annual basis and whenever there are signs that the asset may be impaired, impairment losses are recognised as expenses. When impairment losses previously recognised cease to exist, they are reversed up to the limit of the impairment loss recognised.

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

Whenever necessary, adjustments are made to the financial statements of the associated companies to make them consistent with the accounting standards used by the Group.

c) 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 realizable value.

2.4 Goodwill

Goodwill corresponds to the excess of cost over the fair value of the identifiable assets and liabilities of a subsidiary 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 or loss and other comprehensive income 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 prior to 1 January 2004, and so goodwill arising on acquisitions prior to the transition to IFRS (1 January 2004) was maintained at the net book value as of that date determined in accordance with generally accepted accounting principles in Portugal.

Goodwill is recorded as an asset and is not amortised, being presented separately on the statement of financial position. 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 or loss and other comprehensive income and cannot be subsequently reversed (Note 17).

Goodwill is included in determining the gain or loss on the sale of a subsidiary.

2.5 Intangible assets

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

Internal costs relating to maintenance and development of software are expensed as incurred in the statement of profit or loss and other comprehensive income, except where the development costs are directly related to projects which are expected to generate future financial benefits for the Group. In such situations, these costs are capitalised under intangible assets.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, as from the time the assets are available for use, which varies from three to six years.

2.6 Tangible fixed assets

Tangible fixed assets acquired up to I January 2004 (date of transition to IFRS) are recorded at deemed cost, which corresponds to cost or cost restated based on price indices in accordance with tax legislation in force, less accumulated depreciation.

Fixed assets acquired after that date are stated at cost less accumulated depreciation and impairment losses. Acquisition cost is defined as the purchase price, plus related purchase costs.

Estimated losses resulting from the replacement of equipment before the end of its useful life, due to technological obsolescence, are recognized as a decrease in the corresponding asset by corresponding entry to the statement of profit or loss and other comprehensive income 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 are depreciated 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	4 – 50
Machinery and equipment	3 – 10
Transport equipment	4
Administrative equipment	3 – 10
Other tangible fixed assets	4 – 8

2.7 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 leases based on the substance of the contracts rather than their form.

Tangible fixed 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 fixed assets, at the lower of the present value of the lease payments or their fair value at the inception of the lease, by corresponding entry to liabilities. The 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 consolidated statement of profit or loss and other comprehensive income for the period to which they relate.

Operating lease instalments are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease contract.

2.8 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 plus transaction costs, the Group having opted to record them at historical cost, less any impairment losses.

Maintenance, repair, insurance and tax costs, as well as any income realized on investment properties are recognized in the consolidated statement of profit or loss and other comprehensive income for the period to which they relate.

2.9 Financial instruments

2.9.1 Trade and other receivables

Trade and other receivables classified as current assets are recorded at their nominal value which is understood to correspond to amortized cost, as they are expected to be received in the short term and this does not differ significantly from their fair value at the date they were contracted, less any impairment losses.

Impairment losses on trade and other receivables classified as current assets correspond essentially to the difference between the amount initially recognized and the estimated recoverable amount. The Group estimates impairment losses based on the age of the balances of the entities, the guarantees that may exist for each entity, the historical experience with each entity and information collected by the financial department relating to their financial situation and possible reasons for delays in their payments.

Trade and other receivables classified as non-current assets are recorded at amortized cost less possible impairment losses. In measuring amortized cost the effective interest rate method was used, interest income having been applied over the expected life of the financial instruments, considering the contractual terms.

Impairment losses are recognized in the statement of profit or loss and other comprehensive income for the period in which they were estimated.

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 "Borrowings" on the statement of financial position.

2.9.3 Payables

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

2.9.4 Bank borrowings

Bank borrowings are initially recognised at the amount received, net of expenses relating to their issuance and are subsequently measured at amortised cost. Any difference between the amount received (net of issuance costs) and the amount payable is recognised in the statement of profit or loss and other comprehensive income over the term of the borrowing using the effective interest rate method.

Borrowings that mature in less than twelve months are classified as current liabilities, unless the Group has the unconditional right to defer their settlement for more than twelve months after the date of the statement of financial position.

2.9.5 Derivative financial instruments

The Group uses derivative financial instruments to hedge the financial risks to which it is exposed as a result of variations in 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. Derivative financial instruments are measured at fair value.

The possibility of designating a financial instrument as a hedging instrument obeys the provisions of IAS 39, as regards its documentation and effectiveness.

The variations in the fair value of derivative financial instruments contracted by the Group, although contracted for hedging purposes in accordance with the Group's hedging policies, do not comply with all the provisions of IAS 39 as regards the possibility of qualifying for hedge accounting, are recognized in the statement of profit or loss and other comprehensive income for the period in which they occur.

2.10 Inventories and program broadcasting rights

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

Net realizable value is estimated based on the Company's past experience in accordance with aging and inventory turnover criteria, considering also the possibility of their future use.

The Group records under the caption "Program broadcasting rights" the rights acquired from third parties to broadcast programs, by corresponding entry to the caption "Trade and other payables" when such rights come into force and the following conditions are met:

- The cost of the broadcasting rights is known or can be reasonably determined;
- The program contents have been accepted in accordance with the conditions established contractually; and
- The programs are available for broadcasting without restriction.

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

In addition, advances made for the purchase of contents are recorded in the caption "Program transmission rights" by corresponding entry to "Trade and other payables".

Future financial commitments for the acquisition of programs are shown in Note 37.2.

Impairment losses (Notes 23 and 32) are recognised whenever the book value of inventories or broadcasting rights is greater than their estimated recoverable amount.

2.11 Provisions and contingent liabilities

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

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

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

When any of the above conditions are not met, the corresponding contingent liability is not recorded but only disclosed (Note 36), unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

2.12 Pension liability

Some of the Group companies have assumed the commitment to grant to some of their employees and remunerated 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.

The liability for the payment of retirement, incapacity and survival 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 and board members.

Therefore, 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.

The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gains and losses (other comprehensive income) being recognized in equity (other comprehensive income).

2.13 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - “RETGS”)), which covers all the companies in which Impresa has a direct or indirect participation of at least 90% and comply with the other conditions of the regime. The other companies of the Impresa Group not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

In determining income tax cost for the year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the variance between the years of the difference between the book value of assets and liabilities at the end of each year and their corresponding value for tax purposes.

As established in the above rules, deferred tax assets are only recognized when there is reasonable assurance that they can be recovered in the future. At the end of each year an assessment is made of deferred tax assets, and they are reduced whenever their future recovery stops being probable.

2.14 Subsidies

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

Operating subsidies are recognised in the statement of profit or loss and other comprehensive income in accordance with the the corresponding costs incurred.

Investment subsidies relating to the acquisition of assets are recorded as deferred income, being recognized as income for the year on a systematic basis over the useful life of the assets.

2.15 Revenue

Revenue from sales (relating mainly from the sale of newspapers, magazines, books and other publications) is recognised in the consolidated statement of profit or loss and other comprehensive income 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 recognized net of taxes, discounts and other costs relating to their realization.

Income from subscriptions to regular publications is deferred over the subscription period.

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

Income relating to the ceding of broadcasting rights on theme channels, essentially to cable television operators, is recognized in the statement of profit or loss and other comprehensive income over the period they are ceded.

In summary:

Income	Classification	Time of recognition
Sale of publications	Sales	When the publications are on the stands
Sale of books and other publications	Sales	When the goods are on the stands
Braodcasting of advertisements	Services rendered	When the advertising is broadcast
Publication of advertisements	Services rendered	When the advertising is published
Value added services	Services rendered	When the services are rendered
Broadcasting rights on theme channels	Services rendered	When the rights are ceded

2.16 Accruals basis

Costs and income 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.

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

2.17 Impairment of assets, excluding goodwill

The Group makes impairment tests of tangible and intangible fixed assets 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 of any impairment loss.

The recoverable amount is estimated for each asset individually or, when this is not possible, for the cash flow generating unit to which the asset belongs.

The recoverable amount is the higher of net selling price 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 discounted based on discount rates that reflect the present value of the principal and the specific risk of the assets.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit or loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed, the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only 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. The reversal of impairment losses is recognised immediately in the statement of profit or loss and other comprehensive income.

2.18 Foreign currency balances and transactions

Foreign currency assets and liabilities are translated to Euros at the exchange rates prevailing as of the date of the statement of financial position, published by financial institutions. 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 statement of financial position are recorded as income or costs in the statement of profit or loss and other comprehensive income for the period.

2.19 Classification in the statement of financial position

Assets realizable and liabilities payable in less than one year from the date of the consolidated statement of financial position are classified as current assets and liabilities, respectively.

2.20 Subsequent events

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

Events that occur after the closing of the accounts that provide additional information on conditions that existed after that date, if significant, are disclosed in the notes to the consolidated financial statements.

(Amounts stated in Euros)

2.21 Restatement

As a result of the adoption of the revision to IAS 19 (notes 2.2 and 37.1) the Company restated its consolidated financial statements as of 1 January 2012 and 31 December 2012 as follows:

	1 January 2012	31 December 2012
Equity:	123,849,895	118,961,283
Ajustments to reserves	1,387,066	1,387,066
Ajustments to comprehensive income	-	30,692
Ajustments to net profit and loss for the year	-	(330,966)
	1,387,066	1,086,792
Equity (Restated)	125,236,961	120,048,075

The effect on the consolidated statement of financial position as of 1 January 2012 resulting from application of the above mentioned revised standard was as follows:

	1 January 2012	Application of revised IAS 19	1 January 2012 (Restated)
Non-current assets			
Other non-current assets	3,380,192	1,887,164	5,267,356
Total assets	441,809,872	1,887,164	443,697,036
Equity			
Retained earnings and other reserves	37,831,128	1,387,066	39,218,194
Total Equity	123,849,895	1,387,066	125,236,961
Non-current liabilities:			
Deferred tax liabilities	-	500,098	500,098
Total liabilities	317,959,977	500,098	318,460,075
Total Equity and liabilities	441,809,872	1,887,164	443,697,036

The effect on the consolidated statement of financial position as of 31 December 2012 resulting from application of the above mentioned revised standard was as follows:

	31 December 2012	Application of revised IAS 19	31 December 2012 (Restated)
Non-current assets			
Other non-current assets	4,908,501	1,490,557	6,399,058
Total assets	419,552,483	1,490,557	421,043,040
Equity			
Retained earnings and other reserves	2,565,037	1,417,758	3,982,795
Net profit and loss for the year	(4,893,713)	(330,966)	(5,224,679)
Total Equity	118,961,283	1,086,792	120,048,075
Non-current liabilities			
Deferred tax liabilities	-	403,765	403,765
Total liabilities	300,591,200	403,765	300,994,965
Total Equity and liabilities	419,552,483	1,490,557	421,043,040

(Amounts stated in Euros)

As a result of the above adjustments, the statement of profit or loss and other comprehensive income for the year ended 31 December 2012 was restated as follows:

	31 December 2012	Application of revised IAS 19	31 December 2012 (Restated)
Operating income			
Other operating income	2,993,986	(500,000)	2,493,986
Operating costs			
Personnel costs	(59,719,406)	61,635	(59,657,771)
Net operating profit	9,622,729	(438,365)	9,184,364
Income tax for the year	(1,162,064)	107,399	(1,054,665)
Net loss for the year	(4,888,612)	(330,966)	(5,219,578)
Other comprehensive income:			
Actuarial gains/(losses)	-	41,758	41,758
Deferred tax liabilities	-	(11,066)	(11,066)
	-	30,692	30,692
Comprehensive income	(4,888,612)	(300,274)	(5,188,886)

3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

In addition to the effect of the adoption of revised IAS 19 (Note 2.21) in the year ended 31 December 2013, there were no changes in accounting policies in relation to those used in the consolidated financial statements for the year ended 31 December 2012, nor were material errors relating to prior years recognized.

The more significant accounting estimates reflected in the consolidated financial statements as of 31 December 2013 include:

- Impairment analysis of goodwill and other assets;

- The recording of provisions;

- Useful lives of tangible and intangible fixed assets;

- Realization of deferred tax assets;

- Dates of broadcasting of program exhibition rights;

- Impairment adjustments of receivables;

- Technical actuarial assumptions and bases;

- Analysis of the value of unlisted financial instruments.

The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in results and are subject to disclosure when the effect is significant. Estimates are determined based on the best information available at the time of preparing the consolidated financial statements.

(Amounts stated in Euros)

4. COMPANIES INCLUDED IN THE CONSOLIDATION

The companies included in the consolidation by the full consolidation method, their head offices and the proportion of capital effectively held in them at 31 December 2013 and 2012 are as follows:

Company	Head office	Main activity	Percentage effectively held on 2013	2012
Impresa - Sociedade Gestora de Participações Sociais, S.A. (parent company)	Lisbon	Holding company	Parent	Parent
Impresa Publishing -, S.A. ("Impresa Publishing")	Lisbon	Publishing	100.00%	100.00%
Medipress - Sociedade Jornalística e Editorial, Lda. ("Medipress")	Lisbon	Publishing	100.00%	100.00%
Impresa Serviços e Multimédia- Sociedade Unipessoal, Lda. ("ISM") (a)	Lisbon	Multimedia production and management of administrative and financial services	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%
InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal")	Matosinhos	Multimedia production	100.00%	100.00%
Olhares.com - Fotografia Online, S.A. ("Olhares.com") (Note 7)	Porto	Multimedia production	100.00%	75.00%
Office Share - Gestão de Imóveis e Serviços, S.A. ("Office Share")	Oeiras	Real estate management and services	100.00%	100.00%
Gesco - Gestão de Conteúdos e Meios de Comunicação Social, S.A. ("Gesco") (Note 7)	Lisbon	Contents management	100.00%	100.00%
Impresa.com - Investimentos Multimédia, S.A. ("Impresa.com") (Note 7)	Matosinhos	Multimedia production	-	100.00%
Impresa Serviços - Sociedade Unipessoal, Lda.	Lisbon	Financial and administrative management services	-	100.00%

(a) Company previously called Impresa Digital – Produção Multimédia (Media Zoom), Lda..

In addition, the consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2013 and 2012 include the effect of full consolidation of the operations of the subsidiaries sold and liquidated up to the time that took place.

5. ASSOCIATED COMPANIES

Associated companies are recorded in accordance with the equity method their head offices and the proportion of capital effectively held in them by the Group at 31 December 2013 and 2012 are as follows:

Company	Head office	Participation effectively held in 2013	2012
Vasp – Distribuidora de Publicações, Lda. ("Vasp") (a)	Queluz	33,33%	33,33%
Lusa – Agência de Notícias de Portugal, S.A. ("Lusa") (a)	Lisbon	22,35%	22,35%
Visapress - Gestão de Conteúdos dos Media, C.R.L. ("Visapress") (b)	Lisbon	21,43%	21,43%

(a) These participations are held directly by Impresa.

(b) Management of contents cooperative participated in by Impresa, Medipress and Impresa Publishing. As financial statements of that entity as of 31 December 2013 and 2012 do not yet exist, the equity method was not applied. The Group believes that the effect of this is not significant.

(Amounts stated in Euros)

6. OTHER COMPANIES

The investments in other companies and the proportion of capital held in them by the Group at 31 December 2013 and 2012 are as follows:

Company	Participation effectively held in 2013	Participation effectively held in 2012
NP - Notícias de Portugal, C.R.L. ("NP") (a)	10,71%	10,71%
ITEXAMPLE, ACE (b)	4,41%	4,41%
NoniusSoft, Software e Consultoria para Telecomunicações, S.A. ("NoniusSoft") (c)	15,03%	15,03%
Nexponor (d)	0,001%	-

(a) Participation held by Impresa Publishing and SIC.

(b) Consortium founded in 2010, with the participation of IMS of 30,000 Euros after a capital increase subscribed for and paid up in 2011.

(c) Participation acquired by Impresa in July 2012.

(d) Participation acquired by Impresa in April 2013.

These investments are recorded at the lower of cost or estimated realizable value.

7. CHANGES IN THE CONSOLIDATION PERIMETER, ACQUISITIONS AND SALES OF PARTICIPATIONS IN SUBSIDIARIES AND ASSOCIATES

The following changes took place in the Group's consolidation perimeter in the year ended 31 December 2013:

- Acquisition of a 25% participation in Olhares.com, for 135,000 Euros, resulting in a purchase difference of 75,074 Euros, recorded in equity, as it is an additional participation in that company that was already controlled by the Group;

- In July 2013 Impresa.com was merged into ISM, with retroactive effects to 1 January 2013;

- In March and June 2013, Gesco and Impresa Serviços were liquidated.

The following changes took place in the Group's consolidation perimeter in the year ended 31 December 2012:

- In July 2012, Solo - Investimentos em Comunicação, SGPS, S.A. ("Solo") was merged into Impresa Digital, with retroactive effect to 1 January 2012;

- In June and August 2012, Impresa Media Solutions - Sociedade Unipessoal, Lda. ("Impresa Media Solutions") and Acting Out - Produção de Espectáculos e Eventos Lda. ("Acting Out") were liquidated;

- In December 2012, the Group sold its 20% participation in Castillo de Elsinor, SL ("Castillo de Elsinor") for 6,000 Euros;

- In July 2012, the Group sold its 100% participation in Impresa DGSM for approximately 1,573,000 Euros. This transaction did not result in any gain or loss in the year ended 31 December 2012:

(Amounts stated in Euros)

i) the effect on the consolidated statement of financial position at 31 December 2012 was a decrease in the following captions:

NON-CURRENT ASSETS:	
Intangible assets (Note 18)	15,369
Tangible fixed assets (Note 19)	1,186,746
Total non-current assets	1,202,115
CURRENT ASSETS:	
Inventories	141,539
Trade and other receivables	991,191
Other current assets	34,638
Cash and cash equivalents	23,765
Total current assets	1,191,133
TOTAL ASSETS	2,393,248
CURRENT LIABILITIES:	
Trade and other payables	117,970
State and other public entities	16,604
Other current liabilities	686,116
Total current liabilities	820,690
TOTAL LIABILITIES	820,690

ii) the consolidated financial statements at 31 December 2012 include the following amounts for Impresa DGSM:

- Loss incorporated 942,627 Euros
- Total income 288,747 Euros
- Cash flow (783,479) Euros

8. SEGMENT REPORTING

The segments identified by the Group are based on identification of the segments in accordance with the financial information reported to the Board of Directors that supports it in the assessment of the performance of the businesses and the taking of decisions as to the allocation of resources to be used. The segments identified by the Group for segment reporting purposes are therefore consistent with the form in which the Board of Directors analyses its business.

Therefore, the Group identified the following reporting segments:

Television – The Group is the sole shareholder of SIC which broadcasts in open signal and by cable, under broadcasting licences, the television channels “SIC”, “SIC Notícias”, “SIC Radical”, “SIC Internacional”, “SIC Mulher”, SIC K and SIC Caras. In addition, the Group includes GMTS in this segment.

Publishing – The Group publishes a wide range of newspapers and magazines covering several themes, including business, politics and society, namely, among others, the weekly newspaper “Expresso”, and the magazines “Visão”, “Exame” and “Caras”.

Others – Includes the Group’s holding companies, ISM, Office-Share, Olhares.com and InfoPortugal that operates in the geographic information systems area (SIG).

In the Publishing segment, sales to VASP contributed 10.5% and 11.6%, respectively, of the Group’s revenue presented in the statement of profit or loss and other comprehensive income for the years ended 31 December 2013 and 2012, corresponding to 24,756,682 Euros and 26,481,559 Euros, respectively (Note 38). VASP is an intermediary between the publishers and the distribution network to the final customer, in which Impresa has a 33.33% participation (Note 5). In addition, advertising revenue results essentially from purchases from Group companies by five media centrals that operate as intermediaries between the advertiser and the social communication entities.

(Amounts stated in Euros)

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:

At 31 December 2013:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
Operating revenue						
Services rendered - external costumers	172,002,891	30,495,311	1,518,078	204,016,280	-	204,016,280
Services rendered - intersegment	1,029,213	310,662	5,374,747	6,714,622	(6,714,622)	-
Sales - external costumers	-	31,454,365	-	31,454,365	-	31,454,365
Other operating revenue - external costumers	450,821	869,381	386,151	1,706,353	-	1,706,353
Other operating revenue - intersegment	52,365	-	-	52,365	(52,365)	-
Total operating revenue	173,535,290	63,129,719	7,278,976	243,943,985	(6,766,987)	237,176,998
Operating costs						
Cost of programs broadcast and goods sold	(68,888,810)	(10,268,238)	-	(79,157,048)	-	(79,157,048)
External supplies and services	(46,272,391)	(28,635,129)	(3,516,502)	(78,424,022)	6,766,987	(71,657,035)
Personnel costs	(26,722,198)	(18,824,174)	(6,839,000)	(52,385,372)	-	(52,385,372)
Amortisation and depreciation of tangible and intangible fixed assets	(3,832,355)	(377,715)	(1,049,030)	(5,259,100)	-	(5,259,100)
Provisions (Note 32)	(1,100,052)	(180,000)	-	(1,280,052)	-	(1,280,052)
Other operating costs	(815,185)	(732,301)	(799,434)	(2,346,920)	-	(2,346,920)
Total operating costs	(147,630,991)	(59,017,557)	(12,203,966)	(218,852,514)	6,766,987	(212,085,527)
Operating profit/(loss)	25,904,299	4,112,162	(4,924,990)	25,091,471	-	25,091,471
Financial items:						
Gain on associated companies	-	-	260,059	260,059	-	260,059
Other financial items	(2,386,451)	(2,401,986)	(7,273,573)	(12,062,010)	-	(12,062,010)
	(2,386,451)	(2,401,986)	(7,013,514)	(11,801,951)	-	(11,801,951)
Operating profit/(loss) before taxes	23,517,848	1,710,176	(11,938,504)	13,289,520	-	13,289,520
Income tax	(7,796,627)	(817,398)	1,922,034	(6,691,991)	-	(6,691,991)
Segment profit/(loss)	15,721,221	892,778	(10,016,470)	6,597,529	-	6,597,529

(Amounts stated in Euros)

At 31 December 2012:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
Operating revenue						
Services rendered - external costumers	156,827,696	33,084,990	2,053,241	191,965,927	-	191,965,927
Services rendered - intersegment	637,059	105,695	7,118,591	7,861,345	(7,861,345)	-
Sales - external costumers	-	33,966,956	130,909	34,097,865	-	34,097,865
Other operating revenue - external costumers	1,124,413	1,000,440	369,133	2,493,986	-	2,493,986
Other operating revenue - intersegment	60,428	656	-	61,084	(61,084)	-
Total operating revenue	158,649,596	68,158,737	9,671,874	236,480,207	(7,922,429)	228,557,778
Operating costs						
Cost of programs broadcast and goods sold	(70,530,417)	(10,924,119)	(69,391)	(81,523,927)	-	(81,523,927)
External supplies and services	(36,929,377)	(31,665,653)	(3,492,703)	(72,087,733)	7,922,429	(64,165,304)
Personnel costs	(26,968,533)	(25,967,261)	(6,721,977)	(59,657,771)	-	(59,657,771)
Amortisation and depreciation of tangible and intangible fixed assets	(5,066,518)	(616,225)	(1,434,173)	(7,116,916)	-	(7,116,916)
Impairment losses (Notes 17 and 32)	-	(2,218,000)	(537,098)	(2,755,098)	-	(2,755,098)
Provisions (Note 32)	(759,200)	(153,000)	(600,963)	(1,513,163)	-	(1,513,163)
Other operating costs	(663,462)	(988,804)	(988,969)	(2,641,235)	-	(2,641,235)
Total operating costs	(140,917,507)	(72,533,062)	(13,845,274)	(227,295,843)	7,922,429	(219,373,414)
Operating profit/(loss)	17,732,089	(4,374,325)	(4,173,400)	9,184,364	-	9,184,364
Financial items:						
Gain on associated companies	-	-	313,438	313,438	-	313,438
Other financial items	(2,946,391)	(2,810,463)	(7,905,861)	(13,662,715)	-	(13,662,715)
	(2,946,391)	(2,810,463)	(7,592,423)	(13,349,277)	-	(13,349,277)
Profit/(loss) before tax and non-controlling interest	14,785,698	(7,184,788)	(11,765,823)	(4,164,913)	-	(4,164,913)
Income tax	(4,667,409)	955,958	2,656,786	(1,054,665)	-	(1,054,665)
Non-controlling interest	-	-	(5,101)	(5,101)	-	(5,101)
Segment profit/(loss)	10,118,289	(6,228,830)	(9,114,138)	(5,224,679)	-	(5,224,679)

The segment report for the year ended 31 December 2012 includes the effect of the restatement referred to in Note 2.21.

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

At 31 December 2013:

	Television	Publishing	Others	Segment totals	Eliminations	Consolidated totals
Goodwill	17,499,139	32,270,000	251,123,682	300,892,821	-	300,892,821
Investments	6,235	12,470	6,718,082	6,736,787	-	6,736,787
Other assets	126,036,212	25,123,041	20,811,711	171,970,964	(57,722,704)	114,248,260
Total assets	143,541,586	57,405,511	278,653,475	479,600,572	(57,722,704)	421,877,868
Bank borrowings	23,588,030	31,672,936	134,394,226	189,655,192	-	189,655,192
Other liabilities	74,729,590	23,386,634	64,963,934	163,080,158	(57,722,704)	105,357,454
Total liabilities	98,317,620	55,059,570	199,358,160	352,735,350	(57,722,704)	295,012,646
Other information:						
Increases in tangible fixed assets (Note 19)	3,627,839	45,999	30,797	3,704,635	-	3,704,635
Depreciation and amortisation for the year	3,832,355	377,715	1,049,030	5,259,100	-	5,259,100
Impairment losses except goodwill (Note 32)	171,565	35,116	9,274	215,955	-	215,955
Reversal of impairment losses (Note 32)	(80,756)	(285,266)	(7,982)	(374,004)	-	(374,004)
Average number of personnel	598	419	117	1,134	-	1,134

(Amounts stated in Euros)

At 31 December 2012:

	Television	Publishing	Others	Segment totals	Eliminations	Consolidated totals
Goodwill	17,499,139	32,270,000	251,123,682	300,892,821	-	300,892,821
Investments	6,234	12,470	6,557,364	6,576,068	-	6,576,068
Other assets	103,884,154	27,207,058	26,539,100	157,630,312	(44,056,161)	113,574,151
Total assets	121,389,527	59,489,528	284,220,146	465,099,201	(44,056,161)	421,043,040
Bank borrowings	19,753,397	37,254,986	148,971,487	205,979,870	-	205,979,870
Other liabilities	62,015,082	23,564,886	53,491,288	139,071,256	(44,056,161)	95,015,095
Total liabilities	81,768,479	60,819,872	202,462,775	345,051,126	(44,056,161)	300,994,965
Other information:						
Increases in tangible fixed assets (Note 19)	891,637	6,190	163,770	1,061,597	-	1,061,597
Depreciation and amortisation for the year	5,066,518	616,225	1,434,173	7,116,916	-	7,116,916
Impairment losses except goodwill (Note 32)	154,795	289,021	973,291	1,417,107	-	1,417,107
Reversal of impairment losses (Note 32)	(103,855)	(313,125)	(120,453)	(537,433)	-	(537,433)
Utilization of impairment losses (Note 32)	(728,243)	(6,919)	(1,560,108)	(2,295,270)	-	(2,295,270)
Average number of personnel	604	487	127	1,218	-	1,218
Impairment losses - goodwill (Note 17)	-	2,218,000	-	2,218,000	-	2,218,000

The column "Others" corresponds essentially to assets and liabilities recorded by Impresa, the activities of which consist of managing investments, and so the corresponding assets include goodwill relating to the television, publishing and others segments in the amounts of 228,524,334 Euros, 20,130,334 Euros and 2,469,014 Euros, respectively, as well as the corresponding bank loans used to acquire the investments.

The segment report for the year ended 31 December 2012 includes the effect of the restatement referred to in Note 2.21.

b) Reporting by secondary segments – Geographic markets:

Operating revenue by geographic market for the years ended 31 December 2013 and 2012 were as follows:

	Portugal		Other markets		Consolidated total	
	2013	2012	2013	2012	2013	2012
Services rendered	197,798,582	185,154,965	6,217,698	6,810,962	204,016,280	191,965,927
Sales	31,399,837	33,905,622	54,528	192,243	31,454,365	34,097,865
Other operating revenue	1,706,353	2,493,986	-	-	1,706,353	2,493,986
Total operating revenue	230,904,772	221,554,573	6,272,226	7,003,205	237,176,998	228,557,778

At 31 December 2013 and 2012 there were no acquisitions of non-current assets relating to the geographic segment "Other markets". In addition, more than 99% of the Group's assets and liabilities at 31 December 2013 and 2012 relate to the Portugal geographic segment.

(Amounts stated in Euros)

9. SERVICES RENDERED AND SALES BY ACTIVITY

Services rendered and sales for the years ended 31 December 2013 and 2012 were as follows:

	2013	2012
Services rendered:		
Television		
Advertising	88,250,010	87,384,979
Subscription to theme channels	44,427,380	45,100,995
Others (a)	39,325,501	24,341,722
	172,002,891	156,827,696
Publishing:		
Advertising	27,951,195	29,851,255
Others	2,544,116	3,233,735
	30,495,311	33,084,990
Others:		
Digital mapping	1,099,991	1,679,441
Others	418,087	373,800
	1,518,078	2,053,241
Total services rendered	204,016,280	191,965,927
Sales:		
Publications	27,322,029	30,434,584
Others - publishing	4,132,336	3,532,372
Others	-	130,909
Total sales	31,454,365	34,097,865
Total services rendered and sales	235,470,645	226,063,792

(a) This caption includes essentially income from the sale of information contents and contests and value added call initiatives.

10. OTHER OPERATING REVENUE AND EXPENSES

Other operating revenue for the years ended 31 December 2013 and 2012 was as follows:

	2013	2012 (Restated)
Supplementary income and other operating income (a)	963,623	1,089,298
Reversal of provisions (Note 32)	65,991	552,024
Reversal of impairments (Note 32)	374,004	537,433
Subsidies	302,735	315,231
	1,706,353	2,493,986

(a) In 2013 and 2012 this caption corresponded essentially to income received from sponsorships.

(Amounts stated in Euros)

Other operating expenses for the years ended 31 December 2013 and 2012 were as follows:

	2013	2012
Taxes	1,378,530	1,359,588
Uncollectible receivables	232,616	212,830
Impairment losses on receivables (Note 32)	215,955	555,033
Membership quotas	177,778	188,664
Loss on the sale of assets	2,066	18,757
Other operating costs	339,975	306,363
	2,346,920	2,641,235

11. COST OF PROGRAMS BROADCAST AND GOODS SOLD

The cost of programs broadcast and goods sold in the years ended 31 December 2013 and 2012 was as follows:

	2013	2012
Programs broadcasted	68,888,810	70,530,417
Raw materials consumed	7,907,379	8,894,274
Merchandise sold	2,360,859	2,099,236
	79,157,048	81,523,927

12. EXTERNAL SUPPLIES AND SERVICES

This caption for the years ended 31 December 2013 and 2012 was made up as follows:

	2013	2012
Subcontracts	21,340,138	18,701,665
Specialized work	10,867,097	11,863,073
Communication	9,580,019	6,907,049
Articles to be offered (prizes)	5,175,960	2,661,333
Fees	4,673,792	5,565,872
Maintenance and repairs	4,238,322	5,011,362
Advertising	3,719,900	2,864,359
Lease and rent	3,382,866	3,271,064
Others	8,678,941	7,319,527
	71,657,035	64,165,304

13. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2013 and 2012 are made up as follows:

	2013	2012 (Restated)
Salaries	41,653,979	44,321,472
Charges on remuneration and other personnel costs	10,057,258	10,719,723
Indemnities	674,135	4,616,576
	52,385,372	59,657,771

In the years ended 31 December 2013 and 2012 the average number of employees of the companies included in consolidation was 1,134 and 1,218, respectively.

(Amounts stated in Euros)

14. NET FINANCIAL EXPENSES

Net financial expenses for the years ended 31 December 2013 and 2012 are made up as follows

	2013	2012
Losses and gains on associated companies: (a)		
Losses on associated companies	(211,385)	(318,976)
Gains on associated companies	471,444	632,414
	260,059	313,438
Interest and other financial costs:		
Interest	(10,889,756)	(12,072,886)
Exchange losses	(154,805)	(559,807)
Other financial costs (b)	(1,076,199)	(1,087,439)
	(12,120,760)	(13,720,132)
Other financial income:		
Exchange gains	1,365	1,496
Interest	48,377	46,230
Financial discounts received	8,524	8,536
Other financial income	484	1,155
	58,750	57,417
Net financial costs	(11,801,951)	(13,349,277)

(a) This caption is made up as follows:

	2013	2012
Vasp (Note 20)	471,444	181,651
Lusa (Note 20)	(211,385)	450,763
Castillo de Elsinor (Note 20)	-	(318,976)
	260,059	313,438

The amount relating to Castillo de Elsinor for 2012 includes an impairment loss recognized in that year in the amount of 324,976 Euros (Note 20), and a gain on the sale at the end of the year of that investment in the amount of 6,000 Euros.

(b) This caption corresponds essentially to bank charges.

15. DIFFERENCES BETWEEN ACCOUNTING AND TAX RESULTS

Impresa is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS") together with its subsidiaries: Impresa Publishing, Medipress, ISM, SIC, GMTS, Office Share and Infoportugal. The subsidiary Olhares.com was not included in the tax consolidation (RETGS) for the year ended 31 December 2013.

Impresa and its subsidiaries are subject to corporation income tax at the rate of 25% of taxable income. In addition, taxation is increased by a Municipal Surcharge of up to 1.5% of taxable income, resulting in a maximum aggregate tax rate of 26.5%.

Furthermore, taxable income is subject to a State surcharge as follows:

- 3% on taxable profit between 1,500,000 Euros and 7,500,000 Euros;
- 5% for taxable profit exceeding 7,500,000 Euros.

(Amounts stated in Euros)

Taxable income for 2014 is subject to Corporation Income Tax at the rate of 23% of taxable income and State surcharge as follows:

- 3% on taxable income between 1,500,000 and 7,500,000 Euros;
- 5% on taxable income between 7,500,000 and 35,000,000 Euros.
- 7% on taxable income exceeding 35,000,000 Euros

In addition, the deduction of net financial costs for 2013 for determining taxable income of each company individually is conditioned up to the greater of the following limits:

- 3,000,000 Euros;
- 70% of the profit before amortization and depreciation, net financial costs and taxes.

Furthermore, for the year 2014 the deduction of net financial costs for determining taxable income is limited in each year, progressively up to 2017, to the greater of the following:

- 1,000,000 Euros;
- 60% of net profit before amortization and depreciation, net financial costs and taxes.

In 2014 Impresa can opt to apply this regime to the Group's net financial costs for purposes of determining the Group's taxable profit.

Because of their legal form, Impresa is subject to the tax legislation covering holding companies ("Sociedades Gestoras de Participações Sociais"). In accordance with that legislation, gains and losses in group companies resulting from application of the equity method, dividends received from companies participated in by more by than 10%, and financial expenses relating to the acquisition of investments are not considered for tax purposes. As a result of the legal changes, as from 1 January 2014 the Company ceased being covered by this legislation, becoming subject to the universal participation exemption regime.

Olhares.com, which is not covered by that regime, is taxed individually based on its taxable results and the applicable tax rate.

The Group's Management believes that possible corrections to the tax returns resulting from revisions/inspections by the Tax Administration will not have a significant effect on the consolidated financial statements as of 31 December 2013 and 2012.

The Group records deferred taxes resulting from temporary differences between the accounting and tax bases of its assets and liabilities. The following deferred tax assets were recognized at 31 December 2013 and 2012:

(a) Temporary differences – Changes in deferred tax assets

31 December 2013:

	Deferred tax assets				
	Impairment losses on receivables	Provisions for other risks and charges	Tax losses carried forward	Impairment losses on available-for-sale investments	Total
Balance at 31 December 2012	578,196	799,265	-	312,500	1,689,961
Effect of change in tax rate	(28,552)	(45,183)	-	31,250	(42,485)
Increases/(decreases)	(234,554)	(150,153)	6,877	-	(377,830)
Balance at 31 December 2013	315,090	603,929	6,877	343,750	1,269,646

(Amounts stated in Euros)

31 de Dezembro de 2012:

	Deferred tax assets						
	Accrued expenses	Impairment losses on receivables	Impairment losses on inventories	Provisions for other risks and charges	Tax losses carried forward	Impairment losses on available-for-sale investments	Total
Balance at 31 December 2011	3,418	581,484	224,325	571,352	35,090	312,500	1,728,169
Effect of change in tax rate	-	1,981	(14,224)	8,405	-	-	(3,838)
Increases/(decreases)	(3,418)	(5,269)	(210,101)	219,508	(35,090)	-	(34,370)
Balance at 31 December 2012	-	578,196	-	799,265	-	312,500	1,689,961

(b) Temporary differences – Changes in deferred tax liabilities

31 December 2013:

	Pension fund
Balance at 31 December 2012 (Restated)	403,765
Effect of change in the tax rate	(47,346)
Increase/(decrease) affecting other comprehensive income	111,324
Increase/(decrease) affecting profit and loss	4,838
Balance at 31 December 2013	472,581

31 de Dezembro de 2012:

	Pension fund
Balance at 31 December 2011 (Restated)	500,098
Increase/(decrease) affecting other comprehensive income	11,066
Increase/(decrease) affecting profit and loss	(107,399)
Balance at 31 December 2012 (Restated)	403,765

In 2013 and 2012 the Group did not recognize deferred tax assets on impairment losses on goodwill recorded in prior years as they are permanent differences.

In accordance with current legislation tax losses can be carried forward during a period five years after their occurrence for deduction from taxable income generated in that period, limited to 75% of the Group's taxable income in each year, applicable also to tax losses incurred in prior years. As from 1 January 2014 losses determined in tax periods starting on or after that date are deductible from taxable income of the following twelve taxable periods, the deductible limit being 70% of taxable income.

Tax losses carried forward at 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
	Tax losses carried forward for deferred taxes purposes	Tax losses not considered purposes for deferred taxes
Olhares.com	29,900	-
Impresa.com	-	2,067,099

(Amounts stated in Euros)

c) Reconciliation of the tax rate

Income tax for the years ended 31 December 2013 and 2012 was as follows:

	2013	2012 (Restated)
Profit/(loss) before tax	13,289,520	(4,164,913)
Nominal income tax rate	25%	25%
	3,322,380	(1,041,228)
Non-recoverable tax losses carried forward	-	257,396
Effect of change in the tax rate on deferred taxes	42,485	3,838
Permanent differences (i)	1,468,553	733,731
Income tax adjustments (ii)	333,837	422,656
Investment extraordinary tax credit	(472,938)	-
Municipal and State Surcharge	1,455,206	678,272
Insufficiency estimated income tax of prior years	542,468	-
Income tax	6,691,991	1,054,665
Current tax (iii)	5,724,370	1,123,856
Insufficiency estimated income tax of prior years	542,468	-
Deferred tax for the year	425,153	(69,191)
	6,691,991	1,054,665

(i) This amount was made up as follows at 31 December 2013 and 2012:

	2013	2012 (Restated)
Effect of the equity method of accounting (Note 20)	(260,059)	(632,414)
Fines	2,393	15,860
Impairment loss on tangible fixed assets (Note 19)	-	537,098
Impairment loss on investments (Note 20)	-	324,976
Impairment loss - goodwill (Notes 17 and 32)	-	2,218,000
Non tax deductible provisions	1,105,052	906,387
Financial costs not deductible or in excess of the legal limits	4,798,617	809,838
Confidential and/or undocumented expenses	12,980	7,474
Non-deductible costs on lease of vehicles without drivers	111,813	-
Utilization of provisions taxed in prior years	(293,014)	-
Capital tax losses	-	(1,299,731)
Other, net	396,428	47,436
	5,874,210	2,934,924
Nominal income tax rate	25%	25%
	1,468,553	733,731

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

(Amounts stated in Euros)

(iii) This amount was made up as follows at 31 December 2013 and 2012:

	2013	2012
Estimated income tax recorded as a deduction from other current assets (Note 25)	284	1,123,856
Estimated income tax recorded under other current liabilities (Note 34)	5,724,086	-
	5,724,370	1,123,856

16. EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2013 and 2012 were computed based on the following information:

	2013	2012 (Restated)	2012
Number of shares			
Weighted average number of shares for purposes of computing basic earnings per share (Note 28)	168,000,000	168,000,000	168,000,000
Earnings			
Earnings for purposes of calculating basic earnings per share (profit/(net loss) for the year)	6,597,529	(5,224,679)	(4,888,612)
Earnings for purposes of calculating comprehensive earnings per share (comprehensive income for the year)	6,952,147	(5,193,987)	(4,893,713)
Earnings per share:			
Basic	0.0393	(0.0311)	(0.0291)
Dilluted	0.0393	(0.0311)	(0.0291)
Comprehensive income for the year per share:			
Basic	0.0414	(0.0309)	(0.0291)
Dilluted	0.0414	(0.0309)	(0.0291)

17. GOODWILL

There were no changes in the caption goodwill in the year ended 31 December 2013.

The following changes took place in the caption goodwill in the year ended 31 December 2012:

Balance at 31 December 2011	303,110,821
Impairment loss on goodwill of the magazines (Note 32)	(2,218,000)
Balance at 31 December 2012	300,892,821

(Amounts stated in Euros)

Goodwill at 31 December 2013 and 2012 is made up as follows:

Company	2013	2012
Television:		
Recorded by the holding companies	228,524,334	228,524,334
Recorded by SIC	17,499,139	17,499,139
	246,023,473	246,023,473
Magazines:		
Recorded by Medipress	32,270,000	32,270,000
Newspapers (recorded by the holding companies)	20,130,334	20,130,334
InfoPortugal (recorded by ISM)	2,065,500	2,065,500
Olhares.com (recorded by ISM)	403,514	403,514
	22,599,348	22,599,348
	300,892,821	300,892,821

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 the identified cash generating units, considering, as a cash generating unit, the smallest identifiable group of cash generating assets that are largely independent of the cash flow of other assets or groups of assets. The cash generating units identified for this purpose, to which goodwill was attributed, were the following:

- Television: corresponding to the generalist channel SIC, the theme channels SIC Notícias, SIC Mulher, SIC Radical, SIC K, SIC Internacional and SIC Caras owned by the legal entities SIC and GMTS;

- Magazines: corresponding to several publications in the form of magazines with the titles Caras, Visão, Exame, TV Mais, Activa, Blitz, Telenovelas, among others, which are owned by the legal entity Medipress;

- Newspapers: corresponding essentially to the newspaper Expresso, which is owned by the legal entity Impresa Publishing;

- InfoPortugal: corresponding essentially to the digital mapping business;

- Olhares.com: corresponding essentially to the olhares.com site.

<u>Approach used to determine the amounts attributed to key assumptions</u>

At 31 December 2013 and 2012 the Group requested a specialised independent entity to test impairment of goodwill of the television, magazine and newspaper sectors, as they were considered to be the more significant cash generating units for purposes of determining their recoverable value and the more complex for determination of the recoverable amount. The Group made internal tests of the impairment of goodwill of the remaining cash generating units.

Impairment tests of goodwill are made using the discounted cash flow method, cash flow projections having been prepared for five years for each cash generating unit, a perpetuity being considered as from the fifth year.

The financial projections are prepared based on assumptions of the evolution of the operations of the cash generating units, which the Board of Directors believes are coherent with past historical experience and the markets tendencies, being reasonable and prudent and which reflect their vision and of the consultants involved in their preparation. In addition, whenever possible data obtained from external entities were used, which were compared with historical data and the Group's experience.

The discount rates used reflect the level of indebtedness and the borrowing cost of each cash generating unit, as well as the risk level and profitability expected by the market. In addition, in determining the discount rates, an interest rate applicable to assets without risk was used considering the rates of interest of ten year

German bonds plus a country risk premium corresponding to the average spread between the Portuguese and German 10 year bonds. The discount rates used also include a market risk premium, estimated by the external consultants that made the impairment studies.

The perpetuity growth rate is estimated based on an analysis of the potential market of each cash generating unit, based on the expectations of the Board of Directors and the external consultants involved in the valuations. For this purpose the external consultants considered a sample of Iberian companies.

The main changes made in the impairment analyses as of 31 December 2013 in relation to past experience are as follows:

- slight increase in the advertising market during the projected period in relation to that previously estimated;
- decrease in the discount rate resulting essentially from decrease in the risk of the Portuguese sovereign debt;
- impact of the gain in market share on audiences of SIC in 2013, as well as the increase in the income from alternative products;
- decrease in the income tax rate.

Impairment test in the year ended 31 December 2013:

As a result of the impairment tests carried out, in the year ended 31 December 2013 the Group did not identify any impairment of goodwill.

Television:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Television cash generating unit for a period of five years, using a discount rate of 9.86% (10.30% at 31 December 2012) and a perpetuity growth rate of 2% (2% in 2012).

The main assumptions considered were as follows:

- Advertising market: a compound annual growth rate throughout the period of the projections of 3.2%, never reaching the amounts for 2011;

- Advertising and audience market share: these variables were considered constant in relation to 2013 for the 5 year period of the projections;

- Programming cost: a decrease was estimated for 2014 and slight increase in the remaining years of the projection;

- Automatic renewal of the television operating licences at the end of their term, without additional costs;

- Maintenance of the current open signal transmission costs of the SIC generalist channel, as well as operating continuity of the current theme channels.

The impairment tests carried out take into consideration the maintenance of the current number of television channels broadcasting in open signal is assumed, as well as the current limit of advertising space in each channel and other sector regulations.

The Company made the following sensitivity tests:

- a 1% decrease in advertising income of the cash generating unit resulting from a 1% decrease in advertising target market income over the period of the projection would not imply the need to record an impairment loss at 31 December 2013;

- a 0.5% increase in the discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2013;

- a decrease in the perpetuity growth rate to 1.75% would not imply the need to record an impairment loss at 31 December 2013.

Magazines:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Magazines for a five year period, using a discount rate of 9.24% (10.12% at 31 December 2012) and a perpetuity growth rate 0.5% (0.5% in 2012).

The main assumptions considered were as follows:

- Advertising market: a compound annual growth rate of 1.8% was considered for the period of the projections, never reaching the 2012 levels;

- Advertising market share: a slight decrease was estimated for 2014 with slight recovery over the remaining period of the projections;

- Circulation: a decrease in magazine circulation was estimated for 2014 with a slight decrease over the years of the projections;

- Portfolio: the current magazine publications were considered to be maintained.

The Company made the following sensitivity tests:

- a 1% decrease in advertising income of the cash generating unit resulting from a 1% decrease in advertising target market income over the period of the projection would not imply the need to record an impairment loss at 31 December 2013;

- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2013;

The Group does not consider it reasonable to assume a perpetuity growth rate of less than 0.5%.

Newspapers:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Newspapers for a five year period, using a discount rate of 9.27% (10.14% at 31 December 2012) and a perpetuity growth rate 0.5% (0.5% in 2011).

The main assumptions considered were as follows:

- Advertising market: compound annual growth rate of 1.8% was considered for the period of the projections, never reaching the 2012 levels;

- Advertising market share: a slight decrease was estimated for 2014 with slight recovery over the remaining period of the projections;

- Circulation: a slight increase in sales was estimated for 2014 with a slight decrease in 2015 and recovery to the 2013 levels in the last year of the projection.

The Company made the following sensitivity tests:

- a 1% decrease in advertising income of the cash generating unit resulting from a 1% decrease in advertising target market income over the period of the projection would imply the need to record an impairment loss of approximately 445,000 Euros at 31 December 2013;

- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2013.

The Group does not consider it reasonable to assume a perpetuity growth rate of less than 0.5%.

InfoPortugal:

The recoverable amount of this cash generating unit was determined considering the financial projections of InfoPortugal for a five year period, using a discount rate of 9.84% (10.59% at 31 December 2012) and a perpetuity growth rate 2.5% (2.5% in 2012).

The main assumptions considered in the projections for 2014 assume recovery of operations and slight increase over the remaining period of the projections, never reaching the 2012 levels.

In addition, reasonable changes were not identified in the key assumptions of the valuations on which the Company based itself to determine the recoverable value of InfoPortugal that would imply the need to record additional impairment losses at 31 December 2013.

Olhares.com:

The recoverable amount of this cash generating unit was determined considering the financial projections of Olhares.com for a five year period, using a discount rate of 10.42% (11.30% at 31 December 2012) and a perpetuity growth rate of 2.5% (2.5% in 2012).

The main assumptions considered in the projections for 2014 were recovery of operations and growth over the remaining period of the projections.

In addition, reasonable changes were not identified in the key assumptions of the valuations on which the Group based itself to determine the recoverable value of Olhares.com that would imply the need to record additional impairment losses at 31 December 2013.

The Board of Directors believes that the scenarios considered and projections made are conservative. However, the impairment tests of goodwill are based on macro-economic assumptions and market variables and corresponding future economic and financial performance of the cash generating units in question but there can be variations between the assumptions made and the actual behaviour of these variables and so the performance of the cash generating units can be different from that projected in the impairment analyses.

In the impairment analyses made as of 31 December 2012, the main changes in relation to past experience were as follows:

- Decrease in the advertising market in 2013, which is estimated to start reversing in 2014; in the evaluations made in 2011, it was estimated that the reversal of the cycle would start in 2013;
- decrease in the cash flow of television, magazines and newspapers in the period of the projections in relation to the amounts estimated in 2011, considering the performance of these segments in 2012;
- impact of the closing of several publications (magazines) in 2012;
- impact of the gain in market share and audiences of SIC in 2012;
- impact of certain cost cutting measures adopted in 2012 and prior years.

Impairment tests made as of 31 December 2012.

As a result of impairment tests carried out, in 2012 the Group identified impairment of goodwill of the magazine cash flow generating units in the amount of 2,218,000 Euros. The financial projections used for purposes of the analysis of the impairment of that goodwill considered the evolution of that segment in 2012 and a new estimated evolution for the period of the projection. The worsening of the financial conditions in Portugal in 2012 led to a decrease in revenue of the magazine segment, both of the sale of publications and advertising. An estimated decrease of 12.6% in the advertising of magazines was considered in the impairment tests carried out in 2011, although as a result of the worsening of the financial conditions in Portugal, that market decreased 20%, which at the date the 2011 impairment tests were performed was not possible to estimate.

In addition, as a result of the decrease in internal demand and the worsening of the economic conditions in Portugal, Impresa had to adjust its cost structure, as well as its portfolio of publications to the existing demand. Therefore, the magazines cash flow generating unit discontinued the magazines Autosport, Volante, Casa Cláudia and Arquitectura & Construção, which caused a decrease in circulation in 2012. In addition the discontinuation of these publications caused an increase in the costs incurred in the restructuring process. The Autosport publication was sold at the end of 2012.

Television:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Television cash generating unit for a period of five years, using a discount rate of 10.30% (10.25% at 31 December 2011) and a perpetuity growth rate of 2% (2% in 2011)

The main assumptions considered were as follows:

- Advertising market: a compound annual growth rate throughout the period of the projections of 2.3% assuming another decrease in the market in 2013, a tendency which was expected to start reversing in 2014 and subsequent years, never reaching the amounts of 2012;

- Advertising and audience market share: these variables were considered constant in relation to 2012 for the 5 year period of the projections;

- Programming cost: a decrease was estimated for 2013, the remaining years of the projection having a decreasing tendency;

- Automatic renewal of the television activity licences at the end of their term, without additional costs;

- Maintenance in open signal of the current transmission costs of the SIC generalist channel, as well as operating continuity of the current theme channels.

The impairment tests carried out do not take into consideration the possible effect of privatization of RTP and, consequently, maintenance of the current number of television channels broadcast in open signal is assumed, as well as the current limit of advertising space in each channel and other sector regulations.

The Company made the following sensitivity tests:

- a 1% decrease in advertising income of the cash generating unit resulting from a 1% decrease in advertising target market income over the period of the projection would not imply the need to record an impairment loss at 31 December 2012;

- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2012;

- a decrease in the perpetuity growth rate to 1.75% would not imply the need to record an impairment loss at 31 December 2012.

Magazines:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Magazines for a five year period, using a discount rate of 10.12% (10.05% at 31 December 2011) and a perpetuity growth rate 0.5% (0.5% in 2011).

The main assumptions considered were as follows:

- Advertising market: a compound annual growth rate of -0.7% was considered for the period of the projections, assuming a new decrease in the market in 2013, a tendency which is expected to start reversing slightly in 2014 and following years, never reaching the 2012 levels;

- Advertising market share: a slight decrease was estimated for 2013 with slight recovery over the remaining period of the projections;

- Circulation: a significant decrease in magazines was estimated for 2013 with a slight decrease over the years of the projections;

- Portfolio: the current magazines were estimated to be maintained.

The Company made the following sensitivity tests:

- a 1% decrease in advertising income of the cash generating unit resulting from a 1% decrease in advertising target market income over the period of the projection would imply the need to record an impairment loss of 885,000 Euros at 31 December 2012;

- a 0.5% increase in the assumed discount rate for the years of the projections would imply the need to record an impairment loss of approximately 1,759,000 Euros at 31 December 2012;

The Group does not consider it reasonable to assume a perpetuity growth rate of less than 0.5%.

Newspapers:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Newspapers for a five year period, using a discount rate of 10.14% (10.05% at 31 December 2011) and a perpetuity growth rate 0.5% (0.5% in 2011).

The main assumptions considered were as follows:

- Advertising market: a compound annual growth rate of -0.7% was considered for the period of the projections, assuming a decrease in the market in 2013, a tendency which was expected to start reversing slightly in 2014 and following years, never reaching the 2012 levels;

- Advertising market share: a slight decrease was estimated for 2013 with slight recovery over the remaining period of the projections;

- Circulation: a significant decrease in sales was estimated for 2013 with a slight decrease over the years of the projections;

The Company made the following sensitivity tests:

- a 1% decrease in Advertising income of the cash generating unit resulting from a 1% decrease in advertising target market income over the period of the projection would not imply the need to record an impairment loss at 31 December 2012;

- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2012.

The Group does not consider it reasonable to assume a perpetuity growth rate of less than 0.5%.

InfoPortugal:

The recoverable amount of this cash generating unit was determined considering the financial projections of InfoPortugal for a five year period, using a discount rate of 10.59% (10.25% at 31 December 2011) and a perpetuity growth rate 2.5% (2.5% in 2011).

The main assumptions considered in the projections take into account maintenance in 2013 of operating activity for 2012 and an increase in growth rates similar to those of recent years as from 2014.

In addition, reasonable changes were not identified in the key assumptions of the valuations on which the Company based itself to determine the recoverable value of InfoPortugal that would imply the need to record additional impairment losses at 31 December 2012.

Olhares.com:

The recoverable amount of this cash generating unit was determined considering the financial projections of Olhares.com for a five year period, using a discount rate of 11.30% (11.13% at 31 December 2011) and a perpetuity growth rate 2.5% (2.5% in 2011).

The main assumptions considered were maintenance of the current number of subscribers to Olhares.com and increase in advertising income and from the academy.

In addition, reasonable changes were not identified in the key assumptions of the valuations on which the Group based itself to determine the recoverable value of Olhares.com that would imply the need to record additional impairment losses at 31 December 2012.

(Amounts stated in Euros)

18. INTANGIBLE ASSSETS

The changes in intangible assets and respective accumulated amortization and impairment losses in 2013 and 2012 were as follows:

31 December 2013:

	Industrial property and other rights	Software	Intangible assets in progress	Total
Gross:				
Balance at 31 December 2012	3,713,777	4,985,942	-	8,699,719
Acquisitions	7,023	12,549	91,302	110,874
Reclassifications (Note 19)	-	138,135	-	138,135
Balance at 31 December 2013	3,720,800	5,136,626	91,302	8,948,728
Accumulated amortisation and impairment losses:				
Balance at 31 December 2012	(3,402,520)	(4,850,507)	-	(8,253,027)
Increases	(187,129)	(149,089)	-	(336,218)
Reclassifications	-	(29,816)	-	(29,816)
Balance at 31 December 2013	(3,589,649)	(5,029,412)	-	(8,619,061)
Net balance at 31 December 2013	131,151	107,214	91,302	329,667

Intangible assets in progress at 31 December 2013 correspond essentially to software licences of the Oracle program.

31 December 2012:

	Industrial property and other rights	Software	Total
Gross:			
Balance at 31 December 2011	3,854,638	4,582,520	8,437,158
Changes in the consolidation perimeter (Note 7)	(66,226)	-	(66,226)
Acquisitions	17,619	105,807	123,426
Sales and write-offs	(97,054)	(7,390)	(104,444)
Reclassifications (Note 19)	4,800	305,005	309,805
Balance at 31 December 2012	3,713,777	4,985,942	8,699,719
Accumulated amortisation and impairment losses:			
Balance at 31 December 2011	(3,132,955)	(4,469,593)	(7,602,548)
Changes in the consolidation perimeter (Note 7)	50,857	-	50,857
Increases	(388,969)	(144,817)	(533,786)
Decreases due to sales and write-offs	68,547	5,748	74,295
Reclassifications (Note 19)	-	(241,845)	(241,845)
Balance at 31 December 2012	(3,402,520)	(4,850,507)	(8,253,027)
Net balance at 31 December 2012	311,257	135,435	446,692

The increase in the caption "Industrial property and other rights" is due essentially to the acquisition of mapping rights and aerial photographs and videos for the digital mapping operations.

The sales of intangible assets relate essentially to a contract for sale and transfer of property rights of Impresa.com entered into by the Group in December 2011.

(Amounts stated in Euros)

19. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets and corresponding accumulated depreciation and impairment losses during the years ended 31 December 2013 and 2012 were as follows:

31 December 2013:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:								
Balance at 31 December 2012	1,675,961	23,247,035	100,258,462	592,085	25,157,320	21,414	145,513	151,097,790
Acquisitions	-	8,620	1,035,336	-	80,411	-	2,580,268	3,704,635
Sales and write-offs	-	-	(128,683)	-	(149,529)	-	-	(278,212)
Transfers	-	-	20,514	-	-	-	(20,514)	-
Reclassifications (Note 18)	-	-	(138,135)	-	-	-	-	(138,135)
Balance at 31 December 2013	1,675,961	23,255,655	101,047,494	592,085	25,088,202	21,414	2,705,267	154,386,078
Accumulated depreciation and impairment losses								
Balance at 31 December 2012	-	(5,656,090)	(90,723,634)	(560,565)	(23,514,947)	(21,414)	-	(120,476,650)
Increases	-	(1,125,764)	(3,236,793)	(17,504)	(542,821)	-	-	(4,922,882)
Decreases due to sales and write-offs	-	-	128,683	-	146,008	-	-	274,691
Reclassifications (Note 18)	-	-	29,816	-	-	-	-	29,816
Balance at 31 December 2013	-	(6,781,854)	(93,801,928)	(578,069)	(23,911,760)	(21,414)	-	(125,095,025)
Net balance at 31 December 2013	1,675,961	16,473,801	7,245,566	14,016	1,176,442	-	2,705,267	29,291,053

The increase in the caption "Machinery and equipment" is due essentially to the acquisition of technical equipment supporting the operations of SIC and GMTS.

The caption "Tangible fixed assets in progress" corresponds essentially to the DCM/DAM project of SIC, the objective of which is to implement the work flows relating to the treatment and circulation of contents entirely in digital format and create conditions for the broadcasting of channels on HD.

31 de Dezembro de 2012:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:								
Balance at 31 December 2011	1,675,961	23,230,622	101,474,474	576,308	25,085,484	571,551	380,219	152,994,619
Changes in consolidation perimeter (Note	-	-	(1,586,046)	-	(4,494)	-	-	(1,590,540)
Acquisitions	-	4,904	689,183	30,199	191,798	-	145,513	1,061,597
Sales and write-offs	-	-	(631,404)	(14,422)	(115,468)	(296,787)	-	(1,058,081)
Reclassifications (Note 18)	-	11,509	312,255	-	-	(253,350)	(380,219)	(309,805)
Balance at 31 December 2012	1,675,961	23,247,035	100,258,462	592,085	25,157,320	21,414	145,513	151,097,790
Accumulated depreciation and impairment losses								
Balance at 31 December 2011	-	(4,496,583)	(86,434,099)	(560,959)	(22,996,429)	(567,163)	-	(115,055,233)
Changes in consolidation perimeter (Note 7)								
Impairment losses (Note 32)	-	-	400,971	-	2,823	-	-	403,794
Increases	-	-	(537,098)	-	-	-	-	(537,098)
Decreases due to sales and write-offs	-	(1,152,256)	(4,780,573)	(14,028)	(636,143)	(130)	-	(6,583,130)
Reclassifications (Note 18)	-	-	627,165	14,422	114,802	296,783	-	1,053,172
Balance at 31 December 2012	-	(7,251)	-	-	-	249,096	-	241,845
	-	(5,656,090)	(90,723,634)	(560,565)	(23,514,947)	(21,414)	-	(120,476,650)
Net balance at 31 December 2012	1,675,961	17,590,945	9,534,828	31,520	1,642,373	-	145,513	30,621,140

The increase in the caption "Machinery and equipment" is due essentially to the acquisition of electronic equipment for exterior cars of SIC under finance lease regime.

(Amounts stated in Euros)

At 31 December 2013 and 2012 the Group had the following assets under finance leases:

	2013			2012		
	Gross	Depreciation and accumulated impairmant losses	Net	Gross	Depreciation and accumulated impairmant losses	Net
Land	1,675,961	-	1,675,961	1,675,961	-	1,675,961
Buildings and other construction	14,421,985	(2,651,484)	11,770,501	14,431,965	(2,356,904)	12,075,061
Machinery and equipment	13,710,943	(9,114,782)	4,596,161	14,362,929	(8,617,976)	5,744,953
Transport equipment	110,800	(85,995)	24,805	42,460	(20,871)	21,589
Administrative equipment	2,337,557	(1,876,800)	460,757	2,818,493	(1,882,818)	935,675
	32,257,246	(13,729,061)	18,528,185	33,331,808	(12,878,569)	20,453,239

As explained in Note 2.7, these leased assets are recorded in accordance with the financial method.

Except for the assets acquired under finance lease contracts, there are no other restrictions to the ownership of tangible fixed assets.

20. INVESTMENTS

The changes in investments in the years ended 31 December 2013 and 2012 were as follows:

31 December 2013:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2012	4,954,765	1,621,303	6,576,068
Application of the equity method (Note 14)	260,059	-	260,059
Dividend distributed by VASP	(100,000)	-	(100,000)
Increase (a)	-	660	660
Balance at 31 December 2013	5,114,824	1,621,963	6,736,787

(a) The increase refers to the acquisition of a participation in the Nexponor fund.

31 December 2012:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2011	4,647,327	48,703	4,696,030
Application of the equity method (Note 14)	632,414	-	632,414
Increase (a)	-	1,572,600	1,572,600
Impairment losses (Notes 14 and 32)	(324,976)	-	(324,976)
Balance at 31 December 2012	4,954,765	1,621,303	6,576,068

(a) Acquisition of a 15.03% participation in NoniusSoft, the participation being recorded at cost.

(Amounts stated in Euros)

Investments in associated companies at 31 December 2013 and 2012 are made up as follows:

31 December 2013:

Company	Head office	2013 Total assets	2013 Total revenue	2013 Equity	2013 Net result	Percentage effectively held	Participation amount	Accumulated impairment losses	Net amount of the asset
Vasp	Queluz	36,044,522	210,500,919	11,392,976	1,204,798	33,33	3,797,268	-	3,797,268
Lusa	Lisbon	13,015,047	14,476,905	5,894,854	(945,688)	22,35	1,317,556	-	1,317,556
Visapress	Lisbon	n.a.	n.a.	n.a.	n.a.	21.43	15,000	(15,000)	-
							5,129,824	(15,000)	5,114,824

31 December 2012:

Company	Head office	2012 Total assets	2012 Total revenue	2012 Equity	2012 Net result	Percentage effectively held	Participation amount	Accumulated impairment losses	Net amount of the asset
Vasp	Queluz	31,722,299	192,869,505	10,278,501	526,747	33,33	3,425,826	-	3,425,826
Lusa	Lisbon	14,266,721	19,807,204	6,840,891	2,117,259	22,35	1,528,939	-	1,528,939
Visapress	Lisbon	n.a.	n.a.	n.a.	n.a.	21.43	15,000	(15,000)	-
							4,969,765	(15,000)	4,954,765

As a result of applying the equity method at 31 December 2013 and 2012 the following changes were recorded in the caption “Investments in associates”:

Company	2013 Gains on associated companies (Note 14)	2013 Losses on associated companies (Note 14)	2013 Total	2012 Gains on associated companies (Note 14)	2012 Losses on associated companies (Note 14)	2012 Total
Vasp	471,444	-	471,444	181,651	-	181,651
Lusa	-	(211,385)	(211,385)	450,763	-	450,763
Castillo de Elsinor (a)	-	-	-	-	(318,976)	(318,976)
	471,444	(211,385)	260,059	632,414	(318,976)	313,438

(a) This amount includes 324,976 Euros relating to impairment losses recorded in 2012 (Note 32).

Investments in other companies at 31 December 2013 and 2012 are made up as follows:

Company	2013 Effective participation of the Group	2013 Amount of the participation	2012 Effective participation of the Group	2012 Amount of the participation
NP	10.71%	18,703	10.71%	18,703
ITEXAMPLE, ACE	4.41%	30,000	4.41%	30,000
NoniusSoft	15.03%	1,572,600	15.03%	1,572,600
Nexponor	0.001%	660	-	-
		1,621,963		1,621,303

(Amounts stated in Euros)

21. AVAILABLE-FOR-SALE ASSETS

In the year ended 31 December 2007 the Company subscribed for participating units in Fundo de Investimento Cinematográfico e Audiovisual ("FICA" or "the Fund"), founded under the terms of Ministerial Order 277/2007 of 14 March, with the objective of investing in cinematographic, audio-visual and multi-platform works, aimed at exploring 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 amounted to 83,000,000 Euros, fully subscribed for and to be paid on a phased basis. The capital consists of 83,000 participating units 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.), ZON 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 was founded 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 a disinvestment phase.

The Fund is an autonomous 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 for participating units totalling 10,000,000 Euros, representing 12.05% of FICA, payable as follows:

	Nominal value	Present value at the subscription date
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

On 26 June 2009 SIC renounced the participation contract in FICA and so SIC derecognized the asset and liability relating to the participating units not paid for. Consequently, the amount of the asset was decreased from 8,927,674 Euros to 2,500,000 Euros, derecognizing the liability of 6,427,674 Euros, corresponding therefore to the amount realized up to that date. On 31 October 2008 SIC suspended the payment of its participating units as not all the other subscribers to FICA were complying with their liabilities. Therefore, at 31 December 2013 and 2012 this caption was made up as follows:

	2013	2012
Present value at the subscripton date	8,927,674	8,927,674
Derecognition of the liability	(6,427,674)	(6,427,674)
Amount paid up	2,500,000	2,500,000
Impairment loss	(2,500,000)	(2,500,000)
	-	-

In 2013, in accordance with an assessment made by the Board of Directors, there were no significant changes in the assumptions used in the valuations of the asset made in prior years and so the impairment recorded earlier was not changed.

(Amounts stated in Euros)

In addition, in accordance with impairment tests made by the Board of Directors, at 31 December 2013 and 2012 there was no liability to FICA as the renouncement of the participation contract with FICA, with just cause, terminated SIC's obligation to comply with the payment schedule referred to above, while maintaining all the participation and voting rights relating to the subscription made.

22. INVESTMENT PROPERTIES

Investment properties held by the Group at 31 December 2013 and 2012 are made up as follows:

Investment property	2013	2012
"FNAC" land	6,151,963	6,231,074

The changes in the caption "Investment properties" in the years ended 31 December 2013 and 2012 were as follows:

31 December 2013:	
Balance at 31 December 2012	6,231,074
Decreases	(79,111)
Balance at 31 December 2013	6,151,963
31 December 2012:	
Balance at 31 December 2011	6,229,834
Increase	1,240
Balance at 31 December 2012	6,231,074

In 2010 the Group requested an independent valuation of that asset, in accordance with which its market value exceeded its book value. In the years ended 31 December 2013 and 2012 the changes in the assumptions used to determine the market value of the asset were not significant in relation to its book value and so identification of impairment of the asset was not identified. Therefore the Board of Directors believes that its market value is not less than its book value.

(Amounts stated in Euros)

23. PROGRAM BROADCASTING RIGHTS AND INVENTORIES

Program broadcasting rights at 31 December 2013 and 2012 are made up as follows:

	31 December 2013		31 December 2012	
	Non current	Current	Non current	Current
Broadcasting rights				
Gross:				
Program broadcasting rights	8,591,730	12,056,008	12,290,879	10,640,436
Work in progress	-	-	-	353,619
Advances on account of purchases	557,128	5,050,261	557,128	6,820,721
	9,148,858	17,106,269	12,848,007	17,814,776
Impairment of realizable value:				
Accumulated impairment in the realizable value (beginning balance)	(557,128)	-	(557,128)	(728,243)
Utilization of accumulated impairment (Note 32) (a)	-	-	-	728,243
Accumulated impairment in realizable value (ending balance)	(557,128)	-	(557,128)	-
Net realizable value of the transmission rights	8,591,730	17,106,269	12,290,879	17,814,776

(a) Given that in 2012 the contractual period for using the rights for which the Company had recorded these adjustments in prior years expired, the contents were written-off using the corresponding adjustment.

The caption "Advances on account of purchases" at 31 December 2013 and 2012 includes payments made by SIC to program suppliers under contracts entered into with these entities, relating to program broadcasting rights, which at that date were not available for broadcasting, corresponding essentially to series and sporting rights.

Inventories at 31 December 2013 and 2012 are made up as follows:

	2013	2012
Inventories:		
Raw, subsidiary and consumable material	1,463,692	1,315,264
Work in progress	733,366	699,810
Net realizable value of inventories	2,197,058	2,015,074

At 31 December 2013 and 2012 the Group had no inventories pledged in guarantee of compliance with liabilities.

(Amounts stated in Euros)

24. TRADE AND OTHER RECEIVABLES

At 31 December 2013 and 2012, this caption was made up as follows:

	31 December 2013			31 December 2012		
	Gross	Accumulated impairment losses (Note 32)	Net	Gross	Accumulated impairment losses (Note 32)	Net
Customers	41,813,611	(9,107,867)	32,705,744	33,382,383	(9,265,916)	24,116,467
Invoices to be issued:	-	-				
Value added services	3,326,104	-	3,326,104	2,742,146	-	2,742,146
Television broadcasting rights of theme channels	434,833	-	434,833	979,078	-	979,078
Television broadcasting rights of generalist channels	133,076	-	133,076	123,861	-	123,861
Advertising	105,159	-	105,159	174,148	-	174,148
Other amounts to be invoiced	614,144	-	614,144	255,395	-	255,395
Discounts receivable	-	-				
Volume discounts receivable	137,334	-	137,334	452,844	-	452,844
	46,564,261	(9,107,867)	37,456,394	38,109,855	(9,265,916)	28,843,939

25. STATE AND OTHER PUBLIC ENTITIES – ASSETS

At 31 December 2013 and 2012, this caption was made up as follows:

	2013	2012
Corporate income tax:		
Payments on account	6,893	1,165,138
Withholdings	259	218,392
Estimated income tax (Note 15)	(284)	(1,123,856)
Value Added Tax - amounts to be reported	44,015	460,105
	50,883	719,779

(Amounts stated in Euros)

26. OTHER NON-CURRENT AND CURRENT ASSETS

At 31 December 2013 and 2012 this caption was made up as follows:

	2013	2012
Other non-current assets:		
Lisgráfica – Impressão e Artes Gráficas, S.A. ("Lisgráfica") (a)	1,789,844	2,106,107
Pension fund - Post employment benefits (Note 37.1)	1,928,902	1,490,557
Premius, S.A.	906,250	906,250
Digital telebroadcasting services (b)	873,626	935,980
Novimovest - Fundo de Investimento Imobiliário (c)	800,000	800,000
Fantasy Day - Unipessoal, Lda. and Lemon - Entretenimento, Lda. (d)	-	68,497
Moon Media - Comunicação, Lda.	-	91,667
	6,298,622	6,399,058
Other current assets:		
Advances to suppliers	641,590	193,873
Other debtors		
Lisgráfica (a)	281,867	267,641
Subsidies receivable (f)	258,380	579,754
Advances to employees	249,695	145,952
Isabel Monteiro (e)	192,500	160,300
Fantasy Day - Unipessoal, Lda. and Lemon - Entretenimento, Lda. (d)	169,403	100,906
Deposit (g)	144,861	423,743
Others	1,024,273	1,415,713
Prepayments:		
Licences	387,514	413,711
Rent	105,604	266,886
Digital telebroadcasting services (b)	61,668	61,668
Insurance	56,794	56,933
Others	496,262	524,320
	4,070,411	4,611,400
	10,369,033	11,010,458

(a) Present value of the account receivable resulting initially from the sale in 2006 of the investment in Imprejornal - Sociedade de Impressão, S.A. to Mirandela – Artes Gráficas, S.A.. During the year ended 31 December 2008, the Group sold that account receivable to Lisgráfica. In accordance with the contract, this account is payable in monthly instalments of 25,000 Euros up to 2022. The nominal value of this receivable at 31 December 2013 and 2012 was 2,606,897 Euros and 2,957,009 Euros, respectively.

(b) This caption corresponds to deferral of the single instalment for access to the digital teledifusion network and for services rendered by PT Comunicações, under the technical alteration process. The amount is being deferred over the period of the contract to render digital telebroadcasting services entered into with PT Comunicações. The contract became effective on 1 January 2012 and remains in force until 9 December 2018.

(c) Amount still receivable from the sale of the SIC building in 2004, which is dependent upon updating of the utilization licence.

(d) Present value of the account receivable resulting from the sale in prior years of the 100% participation in iPlay- Som e Imagem, Lda..

(e) Present value of the account receivable resulting from the sale in prior years of the 90% participation in Dialectus – Traduções Técnicas, Legendagem e Locução, Lda..

(f) Subsidies attributed to InfoPortugal, not yet received.

(Amounts stated in Euros)

(g) The amounts of 144,861 Euros and 413,743 Euros at 31 December 2013 and 2012, respectively, correspond to the net amount of a dollar term deposit of 6,163,440 Euros and 6,442,322 Euros, respectively, and a loan contract of 6,018,579 Euros, respectively, recorded in this caption with a maximum amount of 10,000,000 Euros, being automatically renewable for successive six month periods. The term deposit is in guarantee of the liability resulting from the loan contract.

27. CASH AND CASH EQUIVALENTS

The caption "Cash and cash equivalents" included in the consolidated statement of cash flow as of 31 December 2013 and 2012 and reconciliation thereof to the amount of cash and cash equivalents reflected in the statement financial position as of those dates are as follows:

	2013	2012
Cash	109,942	94,525
Bank deposits	1,324,622	1,795,854
	1,434,564	1,890,379
Bank overdrafts (Note 30)	(7,835,777)	(16,214,955)
	(6,401,213)	(14,324,576)

28. EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY

Share Capital: At 31 December 2013 and 2012 Impresa's fully subscribed and paid up share capital amounted to 84,000,000 Euros, represented by 168,000,000 shares of fifty cents each, which are held as follows, according to the participations reported to CMVM:

	2013		2012	
	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
Ongoing Group:				
Ongoing Energy - SGPS, S.A.	23.43%	19,678,695	0.00%	-
Investoffice - Investimentos e Consultoria Financeira, S.A.	0.32%	267,412	19.22%	16,141,107
CTN – Conteúdos Transnacionais, S.A.	0.00%	-	3.50%	2,940,000
Ongoing Strategy Investments, S.G.P.S., S.A.	0.00%	-	1.30%	1,090,000
Madre - SGPS, S.A.	4.97%	4,172,181	4.97%	4,172,181
BPI Group	3.69%	3,100,000	3.70%	3,105,249
Newshold - SGPS, S.A.	3.21%	2,698,269	0.00%	-
Others	14.08%	11,826,149	17.02%	14,294,169
	100.00%	84,000,000	100.00%	84,000,000

Share premium: This caption corresponds to premiums obtained in capital increases made in previous years. In accordance with current legislation, utilisation of this reserve is subject to the same rules as the legal reserve, as such this amount 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.

Legal reserve: Portuguese law provides that at least 5% of annual net 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 except upon liquidation of the Company, but may be used to absorb losses, once all other reserves and retained earnings have been exhausted, or to increase capital.

As decided at the Shareholders' General Meeting held on 23 April 2013, net loss for the year ended 31 December 2012, determined in accordance with the separate financial statements of Impresa, was appropriated entirely to "Retained earnings/(accumulated losses)".

(Amounts stated in Euros)

The difference between the separate and consolidated result was transferred to retained earnings/(accumulated losses).

As decided at the Shareholders' General Meeting held on 24 April 2012, 207,333 Euros of the net profit for the year ended 31 December 2011, determined in accordance with the separate financial statements of Impresa, was appropriated to the caption "Legal reserve" and the remaining balance was appropriated to the caption "Other reserves":

The difference between the separate and consolidated profit was transferred to retained earnings/(accumulated losses).

29. EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST

The changes in this caption in the years ended 31 December 2013 and 2012 were as follows:

31 December 2013	
Balance at 31 December 2012	59,926
Acquisition of an additional participation in Olhares.com	(59,926)
Balance at 31 December 2013	-
31 December 2012	
Balance at 31 December 2011	54,825
Net result attributable to non-controlling interest	5,101
Balance at 31 December 2012	59,926

Equity attributable to non-controlling interest at 31 December 2012 as well the net profit and comprehensive income attributable to non-controlling interest corresponds to Olhares.com.

30. BORROWINGS

Borrowings at 31 December 2013 and 2012 were as follows:

		31 December 2013				31 December 2012			
		Book value		Nominal value		Book value		Nominal value	
Company	Lending entities	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Impresa Digital	Banco BPI, S.A. (a)	98,419,993	9,463,462	98,885,245	9,508,198	107,885,212	9,463,616	108,393,443	9,508,198
Medipress	Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A. (b)	11,390,339	2,749,392	11,600,000	2,800,000	14,062,089	1,953,068	14,400,000	2,000,000
Impresa	Caixa Geral de Depósitos, S.A. (c)	-	4,000,000	-	4,000,000	4,000,000	5,000,000	4,000,000	5,000,000
Impresa	Caixa Geral de Depósitos, S.A. (d)	-	5,929,649	-	6,000,000	5,917,919	-	6,000,000	-
SIC	Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A. (e)	8,281,835	6,010,245	8,400,000	6,096,000	14,256,064	3,918,057	14,496,000	3,984,000
SIC	Banco BPI, S.A. (f)	8,500,000	-	8,500,000	-	-	-	-	-
Impresa Publishing	Banco Comercial Português, S.A. (g)	-	-	-	-	-	4,985,890	-	5,000,000
Impresa Publishing	Banco Comercial Português, S.A. (h)	-	4,000,000	-	4,000,000	-	-	-	-
	Guaranteed current accounts (i)	-	23,074,500	-	23,074,500	-	18,323,000	-	18,323,000
	Bank overdrafts (j) (Note 27)	-	7,835,777	-	7,835,777	-	16,214,955	-	16,214,955
		126,592,167	63,063,025	127,385,245	63,314,475	146,121,284	59,858,586	147,289,443	60,030,153

(a) Loan contracted by ISM from Banco BPI, SA to finance the acquisition of all the share capital of Solo (merged into ISM) which had an 18.35% participation in SIC, and a 30.65% participation in SIC. At 31 December 2013, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus a spread of 2.5%, the contract establishing a floor of 2.15% and a cap of 5.05% up to 2015. The loan is repayable in 38 successive half yearly instalments, beginning on 30 June 2006. The nominal amount of the loan is repayable as follows:

2014	9,508,198
2015	9,508,198
2016	9,508,198
2017	9,983,607
2018 and following years	69,885,242
	98,885,245
	108,393,443

(Amounts stated in Euros)

As guarantee of full compliance with this loan, the Group signed a blank promissory note, and ISM pledged shares representing 49% of SIC's share capital (Note 36).

ISM and Impresa have assumed several covenants with respect to this loan and restrictions relating essentially to the acquisition and sale of assets and the 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.

In accordance with this contract Impresa must maintain all the capital of ISM and at least 51% of the capital of SIC. In addition, Impreger must not reduce its participation in Impresa to below 50.01% of its capital.

(b) Loan contracted in July 2008, with Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A., in the amount of 23,000,000 Euros, to finance the acquisition of a 50% participation in Edimpresa (company merged into Medipress). On 31 December 2012 an addendum was signed to the contract, changing the limits of additional borrowing, the limits of the parameters of the ratios to be complied with and other specific obligations, as well as the loan repayment plan. Therefore, at 31 December 2013 the loan bore interest at the three month Euribor rate plus a spread of 5.5% and is repayable in 26 successive quarterly instalments, payable in arrears, beginning on 31 March 2009. The loan is repayable as follows:

2014	2,800,000
2015	3,200,000
2016	8,400,000
	11,600,000
	14,400,000

In guarantee of full compliance with the loan, the quotas of Medipress were pledged in guarantee to the financial entities (Note 36).

The loan has some covenants relating to the contracting of additional debt and the acquisition or sale of assets, with impact in determining the spread of the loans.

(c) In 2012 the Group restructured this debt, through an addendum to the previous contract with Caixa Geral de Depósitos, S.A., which defines 2014 as the date for repayment of the remaining balance.

The loan bears interest payable half yearly in arrears at the Euribor six month rate plus a spread of 3.25%.

In guarantee of full compliance with the loan, Impresa pledged shares representing 51% of the capital of SIC (Note 36), being required to maintain a minimum participation in of 51% in SIC. In addition, the loan has certain covenants to be complied with and restrictions relating to the contracting of additional debt and the distribution of dividends.

(d) Issuance of commercial paper by Impresa under a commercial paper program for a period of five years ending on 18 December 2014 for the maximum amount of 6,000,000 Euros. At 31 December 2013 the commercial paper issuance bore interest at the rate of 3.5%. Impresa is required to maintain a minimum participation of 51% in SIC.

(e) Bank loan contracted by SIC from Banco Espírito Santo S.A. and Banco Espírito Santo de Investimento, S.A. on 23 March 2012 for 20,000,000 Euros, which matures on 10 December 2015. At 31 December 2013 the loan bore interest at the Euribor monthly rate plus 5%. The loan is repayable as follows:

2014	6,096,000
2015	8,400,000
	14,496,000

(Amounts stated in Euros)

In guarantee of full compliance with the loan SIC pledged certain income generated by theme channel program broadcasting rights (Note 36). In addition Impresa must maintain, directly or indirectly, control of the capital of SIC and SIC must comply with certain financial ratios.

(f) Bank loan contracted by SIC from Banco BPI, S.A. on 26 June 2013 for the maximum amount of 17,000,000 Euros, of which 8,500,000 Euros has been drawn. At 31 December 2013, the loan bore interest at the Euribor 180 day rate plus a spread of 5% and is repayable in 16 successive half yearly instalments as from 30 June 2017. As a result of this loan, the Group signed a blank promissory note, assumed several covenants and restrictions relating essentially to the acquisition and sale of assets, a promissory mortgage of the FNAC land, as well as maintenance of part of the current shareholder structure of Impresa.

(g) Bonds of 5,000,000 Euros issued by Impresa Publishing on 17 June 2005 and taken up 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. Impresa was required to maintain a participation in excess of 50% in Impresa Publishing.

(h) Loan contracted by Impresa Publishing from Banco Comercial Português, S.A. on 24 June 2013. The loan bears interest payable half yearly in arrears at the Euribor six month rate plus a spread of 5.75% and is repayable on 24 June 2014.

(i) Guaranteed current accounts obtained by the group companies which bear interest at normal market rates for similar operations.

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

At 31 December 2013 and 2012 the Group had approved unused credit limits of approximately 29,258,298 an 23,362,043 Euros, respectively.

At 31 December 2013 and 2012, the effective interest rates on the loans were as follows:

Company	Financing entities	2013	2012
Impresa Digital	Banco BPI, S.A.	4.65%	4.65%
Medipress	Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A.	5.72%	6.33%
Impresa	Caixa Geral de Depósitos, S.A.	3.69%	4.09%
Impresa	Caixa Geral de Depósitos, S.A.	3.59%	4.07%
SIC	Banco Espírito Santo de Investimento, S.A.	-	1.38%
SIC	Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A.	5.13%	5.22%
SIC	Banco BPI, S.A.	5.34%	-
Impresa Publishing	Banco Comercial Português, S.A.	-	2.19%
Impresa Publishing	Banco Comercial Português, S.A.	4.19%	-
Group	Guaranteed current accounts	4.93%	5.54%

Information on the Group’s exposure to interest rate risk on its loans is shown in Note 40.

The above loans have certain requirements regarding maintenance of the main participations in subsidiaries, which are being complied with, and as regards the remaining covenants there are no situations of non-compliance as, for all the situations necessary, dispensation was obtained from all the financing entities prior to 31 December 2013. As regards those covenants, the ratios to be complied with, which are not applicable to all the loans, correspond to the “Remunerated net debt/EBITDA ratio”, “Financial autonomy ratio”, “Indebtedness ratio” and “EBITDA margin ratio”, for which the possible existence non-compliance can result in the possibility of the financial institution requesting early repayment of the loan and/or change in the previously agreed loan conditions.

(Amounts stated in Euros)

31. FINANCE LEASES

At 31 December 2013, Office Share, Impresa Publishing, InfoPortugal and the companies of the television segment had liabilities under finance lease contracts of 7,278,136 Euros, 305,468 Euros, 13,601 Euros and 3,497,672, respectively, payable as follows:

	Principal	Interest	Total
2014	3,028,626	261,363	3,289,989
2015	2,225,801	151,819	2,377,620
2016	1,134,985	90,043	1,225,029
2017	894,727	69,151	963,878
2018	3,810,738	10,126	3,820,864
	8,066,251	321,139	8,387,390
	11,094,877	582,502	11,677,380

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 the television segment operating systems. The lease contracts do not include contingent instalments and include purchase options at below the market value of the assets.

At 31 December 2012, Office Share, Impresa Publishing, Medipress, Impresa Digital and InfoPortugal and the subsidiaries of the television segment had liabilities under finance lease contracts of 8,128,018 Euros, 475,712 Euros, 11,644 Euros, 8,853 Euros, 17,542 Euros and 6,053.164 Euros, respectively, payable as follows:

	Principal	Interest	Total
2013	3,710,383	431,939	4,142,322
2014	2,884,406	307,001	3,191,407
2015	2,233,065	191,019	2,424,084
2016	1,144,692	123,253	1,267,945
2017	912,048	96,514	1,008,562
2018	3,810,339	14,102	3,824,441
	10,984,550	731,889	11,716,439
	14,694,933	1,163,828	15,858,761

(Amounts stated in Euros)

32. IMPAIRMENT LOSSES, LEGAL AND TAX PROCESSES AND PROVISIONS

32.1 Impairment losses

The following changes occurred in the accumulated impairment loss captions in the years ended 31 December 2013 and 2012:

31 December 2013:

	Impairment losses on investments (Note 20)	Impairment losses on receivables (Notes 10 and 24)	Impairment losses on broadcasting rights and inventories (Note 23)
Balances at 31 December 2012	15,000	9,265,916	557,128
Changes in the consolidation perimeter	-	-	-
Increases (Note 10)	-	215,955	-
Reversal/adjustment (Note 10)	-	(374,004)	-
Balances at 31 December 2013	15,000	9,107,867	557,128

31 December 2012:

	Impairment losses on investments (Note 20)	Impairment losses on receivables (Notes 10 and 24)	Impairment losses on broadcasting rights and inventories (Note 23)	Impairment losses on tangible fixed assets (Note 19)
Balances at 31 December 2011	1,183,250	10,074,274	1,285,371	-
Changes in the consolidation perimeter	-	(752,157)	-	(537,098)
Increases	324,976	555,033	-	537,098
Utilization	(1,493,226)	(73,801)	(728,243)	-
Reversal/adjustment (Note 10)	-	(537,433)	-	-
Balances at 31 December 2012	15,000	9,265,916	557,128	-

Impairment losses are deducted from the amounts of the assets.

32.2 Provisions

The provision for risks and charges at 31 December 2013 and 2012 relates essentially to legal actions in progress and is made up as follows:

	2013		2012	
Nature	Amount claimed	Amount provided	Amount claimed	Amount provided
Tax	686,522	686,522	1,066,981	381,246
Labour indemnities	423,406	380,391	511,562	491,880
Penalties arising from advertising	2,316,963	334,633	2,386,344	290,386
Abuse of freedom of the press	1,758,715	216,080	2,944,258	334,181
Others	4,276,747	4,276,747	3,637,318	3,637,318
	9,462,353	5,894,373	10,546,463	5,135,011

The amounts claimed under legal actions relating to advertising fines results essentially from the filing of several countermanding actions by ERC for violation of the Advertising Code.

The Group is subject to several lawsuits for abuse of freedom of the press, for which it has recorded provisions based on the opinion of its lawyers and historical experience in this type of litigation.

(Amounts stated in Euros)

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 2013, which correspond to the best estimate of the outflow of funds resulting from these lawsuits as of that date, no asset having been recognised relating to any class of provision.

The changes in provisions in the years ended 31 December 2013 and 2012 were as follows:

31 December 2013:

Balances at 31 December 2012	5,135,011
Increases	1,280,052
Utilization	(454,699)
Reversal/adjustment (Note 10)	(65,991)
Balance at 31 December 2013	5,894,373

31 December 2012:

Balance at 31 December 2011	4,556,407
Increase	1,513,163
Utilization	(382,535)
Reversal/adjustment (Note 10)	(552,024)
Balance at 31 December 2012	5,135,011

Utilization of provisions in the years ended 31 December 2013 and 2012 corresponds to direct utilization of the balance to cover the liabilities resulting essentially from the Group's legal and non-legal litigation. In addition, adjustments correspond to the reversal of provisions covering risks and contingencies for which they were provided but that did not materialize.

The caption "Provisions and impairment losses" included in the statement of profit or loss and other comprehensive income for the years ended 31 December 2013 and 2012 is made up as follows:

31 December 2013:

Increase in provision for other risks and charges	1,280,052

31 December 2012:

Impairment loss of goodwill (Note 17)	2,218,000
Increase in provision for other risks and charges	1,513,163
Impairment loss of tangible fixed assets (Note 19)	537,098
	4,268,261

32.3 Lawsuits in progress

In addition to the matter referred to in Note 32.2, at 31 December 2013 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, including:

a) In prior years GDA – Cooperativa de Gestão dos Direitos dos Artistas, CRL ("GDA") brought a legal action against SIC, in the Judicial Court of Oeiras, under which GDA claims payment of annual remuneration due to artists, interpreters or performers at the rate of 1.5% of the annual amount of advertising income, effective as from September 2004, as well as late payment interest (the amounts included in Note 32.2 do not include this process). SIC contested this action, a favourable decision having been issued, considering the initial petition to be unfounded due to the lack of cause of the demand and, consequently, annulled the whole process. This decision was contested the action having followed in the first instance. The Court judged the GDA's action as groundless and established as annual equitable remuneration, an amount per minute of the exhibitions, the amount per minute being subject to determination. The decision became an executory sentence and was not contested, liquidation of the sentence to be requested by GDA being awaited.

b) Countermanding action and related main contestation action regarding corporate decisions, indemnity actions and legal inquiry relating to Impresa

In 2013 the Ongoing Group, renounced from all its requests under the actions brought about in the courts in prior years against the Group. Some of the actions had been judged as unfounded in the first instance. Ratifying sentences of the desistence have already been issued.

32.4 Tax processes in progress

In previous years the Group was notified of additional tax assessments, most of which were not recorded or paid as they are considered to have no merit:

- As a result of a tax inspection carried out of ISM and its related tax procedures, in 2011 and 2012 Impresa was notified of additional corporation income tax assessments for the years 2008, 2009, 2010 and 2011, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders' loans of BPI (prior shareholder) to Solo (merged entity in prior years to ISM). The reasons alleged by the Tax Administration for this non-acceptance is that the normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are not related to loans obtained for its direct operations. The corrections to taxable income amount to 3,415,295 Euros for 2008, 2,105,621 Euros for 2009, 2,161,788 Euros for 2010 and 3,114,777 Euros for 2011 (Note 41). In January 2012 Impresa was notified of additional corporation income tax assessments for the years 2008 and 2009 of 1,706 Euros and 3 Euros, due to the tax consolidation of Impresa for these years having included tax losses carried forward (used in 2010) to compensate the above mentioned additional assessments. In addition, at the end of April 2012 the additional assessments were legally contested.

  In January 2013 Impresa was notified of an additional corporation income tax assessment for 2010, in which taxable income was corrected, in the amount of 2,161,788 Euros. In June 2013 a contestation of that additional assessment was lodged with the Court.

  , In December 2013 Impresa was notified of an additional corporate income tax assessment for the year 2011, in which taxable income for 2011 was corrected by 2,334,795 Euros. In March 2014 the period for contesting or refuting the additional assessment was proceeding and in 2014 the Group gave additional bank guarantees of 1,180,162 Euros (Note 41).

  The Board of Directors believes, based on the opinion of its lawyers that the prospects of success of the claims and/or contestation of the actions that it will make, are reasonable and so no provision has been made for that tax contingency.

(Amounts stated in Euros)

- In previous years, SIC was notified by the tax authorities to pay approximately 687,000 Euros (including compensatory interest), as a result of corporate income tax inspections of certain transactions realised in the year 2000. The Company, based on the opinion of its legal advisors, appealed against these notifications, as it believes that they are unfounded and has recorded a provision of approximately 687,000 Euros. In addition the Company has also provided bank guarantees for these assessments (Note 36).

33. TRADE AND OTHER PAYABLES

This caption was made up as follows at 31 December 2013 and 2012:

	2013	2012
Suppliers, current accounts	40,922,313	33,848,152
Suppliers of fixed assets, current accounts	41,956	273,754
	40,964,269	34,121,906

34. STATE AND OTHER PUBLIC ENTITIES - LIABILITY

These captions were made up as follows at 31 December 2013 and 2012:

	2013	2012
Value Added Tax	3,676,545	2,930,184
Social security contributions	2,264,372	1,869,647
Personal income tax - withholdings at source	1,672,964	1,895,630
Instituto Português de Arte Cinematográfica e Audiovisual/Cinemateca Portuguesa	1,323,037	1,043,831
Stamp tax	671,156	255,417
Corporation income tax:		
Estimated tax (Note 15)	5,724,086	-
Additional payments on account	(442,705)	-
Payments on account	(135,777)	-
Special payments on account	(85,621)	-
Withholdings	(274,695)	-
Double international taxation	(13,008)	-
	14,380,353	7,994,709

(Amounts stated in Euros)

35. OTHER NON-CURRENT AND CURRENT LIABILITIES

These captions were made up as follows at 31 December 2013 and 2012:

	2013	2012
Other current liabilities:		
Advances from clients	2,402,334	2,970,588
Accrued costs:		
Personnel vacation and vacation subsidy	7,094,329	7,077,856
Cost of program production	5,425,339	3,213,485
Commercial agreements	1,033,880	1,067,707
Social security - Green receipts	986,655	382,427
Personnel commission payable	648,153	445,526
Communication	580,644	597,651
Marketing and publicity	367,152	173,955
Accrued interest	249,164	257,244
Royalties	105,900	145,555
Municipal property tax	67,390	350,106
Indemnities	60,000	1,557,693
Other accruals	986,293	1,726,280
Deferred income:		
Advances billing	3,299,085	3,120,907
Subscription to newspapers and magazines	1,523,294	1,631,738
Subsidies	272,676	523,239
Other deferred income	2,267,100	2,052,505
Other liabilities:		
Other creditors	5,181,613	5,370,309
	32,551,001	32,664,771

36. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

The guarantees given to third parties by Impresa, SIC, Medipress and the remaining Group companies at 31 December 2013 were as follows:

At 31 December 2013 ISM had pledged shares representing 49% of SIC's capital in guarantee of a loan from Banco BPI, S.A. to finance the acquisition of that participation (Note 30.a)).

At 31 December 2013, Impresa had shares representing 51% of SIC's capital pledged in guarantee of a loan from Caixa Geral de Depósitos, SA (Note 30.c)).

At 31 December 2013 the quotas of Medipress were pledged in guarantee of loans from Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A. (Note 30.b)).

At 31 December 2013 certain income generated by theme channel program broadcasting rights was pledged in favour of Banco Espírito Santo, S.A. and do Banco Espírito Santo de Investimento, S.A. (Note 30.e)).

(Amounts stated in Euros)

At 31 December 2013 and 2012 the companies of the television segment had requested the issuance of the following guarantees in favour of third parties:

	2013	2012
General Secretariat of the Ministry of Internal Administration / Civil Government of Lisbon	4,166,811	1,949,031
Union des Associations Europeenes de Football	3,665,268	3,665,268
De Lage Cisco	2,205,635	2,302,023
ERC	1,995,192	1,995,192
IBM	1,894,176	-
Novimovest	1,320,600	1,320,600
Tax department of Algés	970,283	2,879,640
Imopólis	44,701	44,701
Municipal Council of Oeiras	35,745	35,745
Court of Oeiras	7,000	7,000
Comarca da Grande Lisboa Noroeste	4,000	-
	16,309,411	14,199,200

The guarantees given to the General Secretariat of the Ministry of Internal Administration / Civil Government of Lisbon are to guarantee fulfilment of the advertising contests "Cartão de Sonho 2013", "Jogo da Glória", "Sextas Mágicas", "Casa Portuguesa", "SIC em Festa" and "Disnet Barter".

The guarantee given to Union des Associations Europeenes de Football is to cover compliance with the "European League 2012/13, 2013/14 and 2014/15" contract.

The guarantees given to De Lage Cisco result from reformulation of the communications architecture (VOIP) and the acquisition of a high definition digital production system (SONAPS).

The guarantee given to ERC results from the requirements of current legislation for the licensing of new channels and for broadcasting television contests.

The bank guarantee given to IBM is to guarantee the obligations resulting from the contract entered into with that entity relating to the DCM/DAM project in SIC (Note 19).

The guarantee given to Novimovest is to cover obligations resulting from the lease contract of the SIC head office with that entity, especially payment of the rent.

The guarantees given to the Tax Department of Algés are in connection with tax litigation awaiting judgement of the appeals submitted by SIC (Note 32).

The guarantee given to Imopólis is in guarantee of the payment of rent of the SIC studios.

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 bank guarantee given to Tribunal Comarca da Grande Lisboa Noroeste results from legal execution processes.

At 31 December 2013 and 2012 Medipress had requested the issuance of the following bank guarantees in favour of third parties:

	2013	2012
General Secretariat of the Ministry of Internal Administration	34,235	76,324
Civil Government of Lisbon	26,981	27,891
De Lage Cisco	-	65,090
Tax Administration	-	64,625
	61,216	233,930

(Amounts stated in Euros)

The guarantees given to the General Secretariat of the Ministry of Internal Administration are to guarantee full compliance with the advertising contests called "Globos de Ouro", "Caras Odisseias" and "18º Aniversário Caras".

The guarantees given to the Civil Government of Lisbon result from the legal requirements of current legislation regarding contests in publications.

The guarantees given to De Lage Cisco at 31 December 2012 result from reformulation of the communications architecture (VOIP).

The guarantee given to the Tax Department at 31 December 2012 is to cover additional tax assessments.

At 31 December 2013 and 2012 the companies of the "Others" segment had requested the issuance of the following bank guarantees in favour of third parties.

	2013	2012
Instituto de Apoio às Pequenas e Médias Empresas e à Inovação ("IAPMEI")	222,311	203,344
Instituto Geográfico Português	-	102,275
Turismo de Portugal	20,791	20,791
De Lage Cisco	-	12,073
	243,102	338,483

The guarantees given to IAPMEI relate to subsidies received from that entity regarding the Intellitouring and SINTTRA projects that are being carried out by InfoPortugal.

The guarantees given to Instituto Geográfico Português and Turismo de Portugal are to guarantee compliance with the service contracts to it by InfoPortugal.

The guarantees given to De Lage Cisco at 31 December 2012 results from reformulation of the communications architecture (VOIP).

At 31 December 2013 the remaining Group companies namely, Impresa Publishing and Impresa, had requested a bank guarantee of 28,404 Euros in favour of IAPMEI relating to a subsidy received from that entity by Impresa Publishing and guarantees by Impresa to the Tax Department of 1,956,648 Euros relating to tax execution processes, resulting from additional corporation income tax assessments relating to prior years.

37. COMMITMENTS ASSUMED

37.1 Pensions

Certain Group companies (Impresa, Impresa Publishing and Medipress) have assumed commitments to pay their employees and remunerated members of the Board of Directors hired before 5 July 1993, pension supplements for retirement due to age and disability. 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 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 the above 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 2013 was estimated at 3,228,049 Euros, the amount of the fund at that date being 5,156,951 Euros.

In 2012, after receiving authorization from the Portuguese Insurance Institute, the amount of 500,000 Euros relating to part of the surplus was returned to the Group.

(Amounts stated in Euros)

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

	2013	2012
Discount rate	4.00%	4.00%
Salary growth rate	0.00%	0.00%
Pension growth rate	0.00%	0.00%
National minimum salary growth rate	2.00%	2.00%
Actuarial tables:		
Mortality	TV 88/90	TV 88/90
Disability	EVK 80	EVK 80
Decrease due to incapacity	100% EVK 80	100% EVK 80
Retirement age	65 years	65 years

The rate used was determined based on market income rates for high quality corporate bonds, consistent with the currency and the expected period of the benefits.

The method used was based on the creation of an adjusted interest rate curve, considering the income of a high quality corporate bond which covers several maturities. For this, a Eurozone interest rate swap curve was considered, obtaining, through the bootstrapping method, a zero coupon curve. The interest rate curve used resulted in the application of a risk spread to the zero coupon curve obtained. To determine the spread the *iTraxx Europe Main* índex was used, that covers European corporate debt securities with an investment grade rating, therefore being considered of high quality. The rates for the intermediate term were obtained by straight-line interpolation, and for terms of less than 3 or more than 10 years a constant rate was used.

The pension fund is exposed to the following risks:

- Fund profitability risk

  Definition of an investment policy is the responsibility of Impresa, with the advice of the Managing Entity, respecting the limits and restrictions defined for each class of investment. Caixa Gestão de Activos, S.A. is the entity responsible for implementing the strategy and managing the financial assets of the Pension Fund. The securities held are selected considering the defined guidelines, taking into account the economic-financial realities and evolution of the market.

  The investment policy follows a benchmark management model, which defines the maximum limits of exposure for each class of assets and reference indices for each, against which performance is measured.

  There are some deviations between the makeup of the portfolio allocated and the benchmark , due to the significant cash component. This is due in part to the significant excess financing of the fund.

  The composition of the portfolio of assets obeys a set of rules aimed, through systematic spreading of risks and a benchmark process, at referencing and measuring the performance and risk of the portfolio, ensuring that the principles of diversification and spreading of risk are met.

  There are also precise guidelines regarding the quality of credit that establish minimum credit notations and limit the universe of investments.

  Financial flow projections were made for the liabilities up to the end of the useful life of the Pension Fund.

This management model, not being specifically aimed at minimizing the mismatch between assets and liabilities, is justified as the residual maturity of the past service liability exceeds 70 years and its duration is of approximately 12 years, which makes an effective immunization strategy difficult. This strategy does not invalidate the rebalancing of the portfolio, considering the evolution of the liability.

In the year ended 31 December 2013 the profitability of the fund was 3.8%, which is lower than the discount rate used. Expected income from the assets, considering the defined benchmark, is 1.13% which is lower than the rate of 4% considered for the projection.

- Exchange risk
  The portfolio is preferably represented by securities in the same currency as that of the liability, which is Euros. At 31 December 2013 the percentage of the portfolio exposed to exchange risk was 0.19%.

- Liquidity risk
  At 31 December 2013 the Pension Fund had pension liabilities in payment which, due to the evaluation of its liquidity, was considered in the composition of the portfolio. Therefore at that date the percentage of the portfolio invested in the monetary market was 22%, and so the cash in the portfolio was sufficient to cover the payment of expected pensions over the next four years.

- Credit risk
  The control of credit risk takes into consideration the maturities of each security and is made in aggregate terms, considering in isolation both the fixed and variable rate. The investment policy stipulates a minimum investment grade notation or equivalent for any security to be acquired.

  At 31 December 2013, 84.73% of the portfolio consisted of BBB- grade or better securities. The securities in question are analysed and are only maintained in the portfolio if they are comfortable with the issuer, as well as their maturity, being permanently monitored.

In addition, sensitivity analyses of variations were made of the portfolio of assets, as regards interest rates in both the share and real estate markets. Therefore, for the fixed income component, increases in the interest rate curve of 1% and 2% and decreases of 10% and 15% were considered simultaneously for the share and real estate markets, it having been determined that in any of the simulations made, the amount of the portfolio is sufficient to cover the minimum level of solvency.

Furthermore, so as to assess the adequacy of the relationship between the assets and the liability, that in the sensitivity analyses made to the portfolio of assets to the various types of risk of the assets which, despite the expected profitability of the assets being lower than the discount rate used, if this scenario is maintained, it is not expected that it will be necessary to make any contribution to the Fund for the next 20 years.

The changes in the amount of the past service liability for the current and retired employees and the amount of the assets of the Company’s plan in the years ended 31 December 2013 and 2012 were as follows:

(Amounts stated in Euros)

	2013	2012
Present value of the liability for defined benefits at the beginning of the period	3,720,764	3,445,380
Benefits paid	(245,240)	(60,500)
Current service cost	39,873	32,725
Interest cost	143,925	170,756
Actuarial (gains)/losses	(431,273)	132,403
Present value of the liability for defined benefits at the end of the period	3,228,049	3,720,764
Plan assets at the beginning of the year	5,211,320	5,332,543
Benefits paid	(245,240)	(60,500)
Interest of the plan	203,548	265,115
Return to the associates due to the excess	-	(500,000)
Financial loss	(12,677)	174,163
Plan assets at the end of the year	5,156,951	5,211,321
Surplus (Nota 26)	1,928,902	1,490,557

The financial gain and loss resulting from differences between the assumptions used in determining the expected income from the assets and the effective amounts and the actuarial gain and loss between the assumptions used in determining the liability, were recorded as income and costs recognized directly in equity, as other comprehensive income. The gain and loss recognized in the year ended 31 December 2013 result essentially from the exit of beneficiaries from the pension plan, resulting from termination of labour contracts by mutual agreement. The remaining income and costs were recorded in the statement of profit or loss.

	2013	2012
Amounts recognized in the statement of profit and loss:		
Current service cost	(39,873)	(32,724)
Interest rate cost of the plan	(143,925)	(170,756)
Plan interest	203,548	265,115
	19,750	61,635
Amounts recognized as other comprehensive income:		
Actuarial (gain)/loss	431,273	(132,403)
Financial loss	(12,677)	174,161
	418,596	41,758

The impact at 31 December 2013 of a decrease in the discount rate to 3.5%, used in the actuarial calculations, would correspond to an increase of 162,000 Euros in the present value of the liability

(Amounts stated in Euros)

The portfolio of assets of the pension fund at 31 December 2013 and 2012 was made up as follows:

	2013		2012	
	Valor	%	Valor	%
Bonds	1,654,795	32%	1,676,319	32%
Public debt securities	769,087	15%	1,037,371	20%
Participating units in real estate investment funds	1,362,998	26%	1,272,961	24%
Money market	1,058,866	21%	936,408	18%
Shares	250,334	5%	291,727	6%
Structured products	19,750	0%	-	0%
Cash, receivables (payables) and other short term assets (liabilities)	41,121	1%	(3,465)	0%
	5,156,951	100%	5,211,321	100%

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

37.2 Commitments to acquire programs

At 31 December 2013 and 2012 the Group had contracts and agreements with third parties to acquire films, series and other programs amounting to 7,707,389 Euros and 9,781,686 Euros, respectively, not included in the statement of financial position, in accordance with the valuation criteria used (Note 2.10)), as follows:

	31 December 2013					31 December 2012				
	Year the titles are available					Year the titles are available				
Nature	2014	2015	2016 and following years	Without defined date	Total	2013	2014	2015 and following years	Without defined date	Total
Entertainment	463,160	-	-	-	463,160	779,851	-	-	-	779,851
Films	1,072,476	-	-	-	1,072,476	260,181	75,000	-	-	335,181
Format	27,820	-	-	-	27,820	41,461	-	-	-	41,461
Soap-operas	3,913,039	-	-	-	3,913,039	4,539,031	-	-	-	4,539,031
Children	123,381	-	-	-	123,381	173,705	-	-	-	173,705
Documentaries	15,500	-	-	-	15,500	155,940	-	-	24,037	179,977
60 Series	54,445	-	15,741	-	70,186	334,251	-	-	-	334,251
Mini series	338,001	-	-	-	338,001	3,704	-	-	-	3,704
Sport	1,671,876	-	-	-	1,671,876	2,108,466	1,286,059	-	-	3,394,525
Events	11,950	-	-	-	11,950	-	-	-	-	-
	7,691,648	-	15,741	-	7,707,389	8,396,590	1,361,059	-	24,037	9,781,686

	31 December 2013						31 December 2012			
	Limit year for exhibition of the titles						Limit year for exhibition of the titles			
Nature	2014	2015	2016 and following years	Without defined date	Total	2013	2014	2015 and following years	Without defined date	Total
Entertainment	-	463,160	-	-	463,160	418,261	156,340	125,400	79,850	779,851
Films	113,654	66,735	892,087	-	1,072,476	-	124,946	210,235	-	335,181
Format	-	-	27,820	-	27,820	9,980	31,481	-	-	41,461
Soap-operas	3,913,039	-	-	-	3,913,039	3,369,031	-	1,170,000	-	4,539,031
Children	-	86,006	37,375	-	123,381	36,909	81,832	54,964	-	173,705
Documentaries	-	-	15,500	-	15,500	47,896	108,044	-	24,037	179,977
60 Series	-	-	54,445	15,741	70,186	84,989	17,907	231,355	-	334,251
Mini series	876	183,661	153,464	-	338,001	-	3,704	-	-	3,704
Sport	385,817	1,286,059	-	-	1,671,876	822,407	1,286,059	1,286,059	-	3,394,525
Events	-	11,950	-	-	11,950	-	-	-	-	-
	4,413,386	2,097,571	1,180,691	15,741	7,707,389	4,789,473	1,810,313	3,078,013	103,887	9,781,686

37.3. Commitments for the acquisition of tangible fixed assets

At 31 December 2013 and 2012, the commitments assumed for the acquisition of fixed assets amounted to approximately 1,900,963 Euros and 911,000 Euros, respectively.

(Amounts stated in Euros)

37.4. Operating leases

In 2004 SIC sold its head office building to an investment fund for 12,300,000 Euros and signed a lease contract to rent back the 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 2009 GMTS signed a contract to lease a property in which the SIC studios are located for a period of five years, paying an annual rent of approximately 236,000 Euros, subject to annual adjustment in accordance with the applicable Ministerial Order.

In addition, the Group uses other assets under operating lease.

The operating lease contracts do not have contingent lease payments. The payments under the operating lease contracts mature as follows:

	2013	2012
within one year	2,141,837	2,315,449
from one to five years	6,114,741	6,434,235
more than five years	1,068,173	2,235,716
	9,324,751	10,985,400

In the years ended 31 December 2013 and 2012 the Group recognized operating lease costs of approximately 2,300,000 Euros and 2,100,000 Euros, respectively, in the consolidated statement of profit or loss and other comprehensive income.

(Amounts stated in Euros)

38. RELATED PARTIES

The balances at 31 December 2013 and 2012 and transactions during the years then ended with related parties were as follows:

31 December 2013:

	Balances			
	Demand deposits	Receivables	Payables	Loans obtained
Shareholders':				
Grupo BPI	502,309	178,535	-	122,378,316
Madre Group (SP - Televisão, Lda.)	-	313,785	1,133,214	-
Participated companies:				
DGSM	-	576,543	998	-
Noniussoft	-	936	-	-
Associated companies:				
Vasp	-	2,507,197	32,808	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	338	57,602	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMK")	-	-	20,444	-
Others:				
Compta - Equipamentos e Serviços de Informática, S.A. ("Compta")	-	-	2,720	-
Compta - Infra-estruturas e Segurança, S.A. ("Compta Infra-estruturas")	-	-	406	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	144,258	-
DPS - Digital Priting Services, Lda.	-	-	5,399	-
7GRAUS II - Soluções WEB, Lda. ("7Graus II")	-	1,181	-	-
	502,309	3,578,515	1,397,848	122,378,316

	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
Shareholders':					
Impreger	89,784	-	-	-	-
BPI Group	-	-	6,650,849	269,893	13,898
Madre Group (SP - Televisão, Lda.)	10,034,400	-	-	754,688	-
Participate companies:					
Noniussoft	-	-	-	4,000	-
Associated companies:					
Vasp (Note 8)	187,693	-	-	24,756,587	-
Vasp Premium (Note 8)	146,809	-	-	275	-
Vasp TMK	63,989	-	-	-	-
Others:					
Board of directors	-	1,044,076	-	-	-
Compta	3,308	-	-	-	-
Compta Infra-estruturas	6,019	-	-	-	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	388,926	-	-	3,650	-
7GRAUS II	2,373	-	-	14,578	-
DPS - Digital Priting Services, Lda.	10,437	-	-	-	-
	10,933,738	1,044,076	6,650,849	25,803,671	13,898

(Amounts stated in Euros)

31 December 2012:

	Balances			
	Demand deposits	Receivables	Payables	Loans obtained
Shareholders:				
BPI Group	908,698	437,273	-	124,889,466
Madre Group (SP - Televisão, Lda.)	-	252,458	2,915,100	-
Participate companies:				
DGSM	-	574,500	639	-
Associated companies:				
Vasp	-	2,532,209	34,777	-
Vasp Premium	-	1,213	54,161	-
Vasp TMK	-	-	20,242	-
Others:				
Compta	-	-	234	-
Compta Infra-estruturas	-	-	3,074	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	151,375	-
DPS - Digital Priting Services, Lda.	-	-	2,718	-
7Graus II	-	1,387	2,952	-
	908,698	3,799,040	3,185,272	124,889,466

	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
Shareholders:					
Impreger	89,784	-	-	-	-
BPI Group	-	-	6,520,350	328,270	17,304
Madre Group (SP - Televisão, Lda.)	14,213,354	-	-	452,100	-
Participate companies:					
DGSM	639	-	-	-	-
Associated companies:					
Vasp (Nota 8)	365,166	-	-	26,480,115	-
Vasp Premium (Nota 8)	185,092	-	-	1,444	-
Vasp TMK	59,700	-	-	-	-
Others:					
Board of directors	-	1,169,263	-	-	-
Compta	225	-	-	-	-
Compta Infra-estruturas	4,696	-	-	-	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	403,639	-	-	-	-
7GRAUS II	7,200	-	-	13,129	-
DPS - Digital Priting Services, Lda.	7,753	-	-	-	-
	15,337,248	1,169,263	6,520,350	27,275,058	17,304

(Amounts stated in Euros)

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 rendered 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 and other small shareholders, 49% of SIC's share capital and obtained a loan of 152,500,000 Euros (Note 30) to finance the acquisition.

Balances and transactions between the consolidated companies were eliminated in the consolidation process and are shown in Note 8.

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 Managing Director and the Board of Directors. In the years ended 31 December 2013 and 2012 transactions with the Board of Directors corresponded essentially to remuneration paid for performing their functions in the Impresa Group.

In the year ended 31 December 2013 pension supplements of 184,739 Euros were paid by the pension fund to a director. In the years ended 31 December 2012 no pension supplements were paid by the pension fund to related parties.

In these years no long term benefits relating to termination of contracts or payments in shares were attributed to members of the Board of Directors.

39. RATES USED TO TRANSLATE FOREIGN CURRENCY BALANCES

The following rates were used to translate foreign currency assets and liabilities to Euros at 31 December 2013 and 2012 to Euros:

	2013	2012
US dollar (USD)	1.3791	1.3194
Swiss franc (CHF)	1.2276	1.2072
British pounds (GBP)	0.8337	0.8161

40. 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 financial instruments at 31 December 2013 and 2012 were as follows:

	2013	2012
Financial assets:		
Receivables	46,941,016	38,085,971
Financial liabilities:		
Borrowings	181,819,415	189,764,915
Payables	98,990,500	93,877,925
Cash and cash equivalents (Note 27)	6,401,213	14,324,576
	287,211,128	297,967,416

The Group believes that the amounts at which the loans at 31 December 2013 and 2012 are recorded do not differ significantly from their fair value or exceed fair value. Fair value of the borrowings depends significantly on the risk level attributed by the financing entities and conditions under which Impresa would, at 31 December 2013 and 2012, be able to contract loans with terms and amounts similar to those which it has at those dates.

The Group believes that the majority of loans have market spreads as they have been negotiated recently or the rates are updated periodically and so their conditions are updated in relation to the current situation of the financial markets, so reflecting the risk level attributed by the lenders.

The borrowings that have not been subject to renegotiation were contracted under more favourable market conditions than those currently existing and so fair value should not exceed book value.

The Impresa Group is exposed essentially to the following financial risks:

a) Interest rate risk

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 BPI loan contract to acquire a 49% participation in SIC, signed in 2005, includes a floor and cap which limit the variation in the basic interest rate on the loan to 2.15% and 5.05%, respectively, up to 2015. The amount due on this loan at 31 December 2013 and 2012 was 107,883,455 Euros and 117,348,828 Euros, respectively, representing approximately 56.9% and 57% of bank borrowing at those dates. The remaining loans are exposed to changes in the market rates of interest (Note 30).

If market interest rates in the years ended 31 December 2013 and 2012 were 0.5% higher or lower, net profit for these years would have decreased or increased by approximately 1,053,562 Euros and 1,141,000 Euros, respectively, without considering the tax effect.

b) Exchange rate risk

Exchange rate risk refers to receivables and payables in currencies other than the Euro, the Group's currency.

Exchange rate risk at 31 December 2013 and 2012 relates essentially to the acquisition of television broadcasting rights from foreign producers. So as to reduce the risk to which the Company is exposed, a loan was contracted, which at 31 December 2013 and 2012 amounted to 6,018,579 Euros, which was converted to a USD term deposit, which at 31 December 2013 and 2012 amounted to 6,163,440 Euros and 6,442,322 Euros (Note 26).

During the year ended 31 December 2013, the Group contracted exchange forwards (calculated over the amount of 12,500,000 USD) to hedge exchange rate risk. In 2012 the Group did not contract exchange forwards. At 31 December 2013 and 2012 the Group did not have forwards contracted.

The foreign currency balances payable, expressed in Euros at the exchange rates in force at 31 December 2013 and 2012 were as follows:

	2013	2012
US dollar (USD)	3,076,439	2,871,261
Swiss franc (CHF)	38,291	39,559
British pounds (GBP)	5,838	15,567
	3,120,568	2,926,387

The Group did not have significant foreign currency receivables at 31 December 2013 and 2012.

c) 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 in cash. The 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.

(Amounts stated in Euros)

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 customers.

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 consolidated financial statements, there being no need to increase the impairment to accounts receivable.

Receivables at 31 December 2013 and 2012 include amounts overdue as follows, for which impairment losses were not recognized as the Board of Directors believes that they are collectible.

Overdue balances	2013	2012
Up to 90 days	6,635,326	5,997,853
From 90 to 180 days	889,780	2,447,179
More than 180 days	2,072,747	1,424,108
	9,597,853	9,869,140

In addition, accounts receivable at 31 December 2013 and 2012 include balances not yet due, their maturity dates being defined contractually as follows:

Maturity date	2013	2012
2013	-	500,866
2014	667,603	378,975
2015	252,934	295,173
2016	246,164	246,722
2017	239,576	240,118
2018 and following years	1,058,147	1,077,864
	2,464,424	2,739,718

(Amounts stated in Euros)

d) 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.

In order to reduce this risk, the Group endeavours to maintain a liquid position and average debt maturities that enable it to repay debt under reasonable conditions. At 31 December 2013 and 2012 the amount of cash and credit lines approved and not used amounted to approximately 30,692,862 Euros and 25,252,400 Euros, respectively, which in the opinion of the Board of Directors, considering the main cash flow projections for 2014, will be sufficient to settle all the Company's current liabilities. Financial indebtedness at 31 December 2013 and 2012 matures as follows:

	2013				
Financial liabilities:	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	61,628,461	20,887,459	17,711,639	87,993,069	188,220,628
Finance leasing liability	3,028,626	2,225,801	1,134,985	4,705,465	11,094,877
Payables to suppliers guaranteed by third parties	1,432,808	-	-	-	1,432,808
	66,089,895	23,113,260	18,846,624	92,698,534	200,748,313
Not remunerated:					
Trade payables	40,922,313	-	-	-	40,922,313
Suppliers of fixed assets	41,956	-	-	-	41,956
Other current liabilities	45,498,546	-	-	-	45,498,546
	86,462,815	-	-	-	86,462,815
	152,552,710	23,113,260	18,846,624	92,698,534	287,211,128

	2012				
Financial liabilities:	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	57,968,208	28,110,930	20,849,489	97,160,864	204,089,491
Finance leasing liability	3,710,383	2,884,406	2,233,065	5,867,079	14,694,933
Payables to suppliers guaranteed by third parties	4,401,606	-	-	-	4,401,606
	66,080,197	30,995,336	23,082,554	103,027,943	223,186,030
Not remunerated:					
Trade payables	33,848,152	-	-	-	33,848,152
Suppliers of fixed assets	273,754	-	-	-	273,754
Other current liabilities	40,659,480	-	-	-	40,659,480
	74,781,386	-	-	-	74,781,386
	140,861,583	30,995,336	23,082,554	103,027,943	297,967,416

(a) This caption includes cash and cash equivalents (Note 27).

41. SUBSEQUENT EVENTS

In January 2014 the Ongoing Group sold its 23.13% participation in Impresa, ceasing to have a qualified participation.

In March 2014, the period to claim or refute the additional corporate income tax assessments received in December 2013 was proceeding, the Group having at this time submitted bank guarantees in the amount of 1,180,162 Euros relating to it (Note 32.4).

42. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with Portuguese legislation and following the International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE ACCOUNTANT | THE BOARD OF DIRECTORS

LEGAL CERTIFICATION OF ACCOUNTS AND AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese – Notes 26 and 42 to separate and consolidated financial statements, respectively)

Introduction

1. In compliance with the applicable legislation, we present our Legal Certification of Accounts and Auditor's Report on the financial information contained in the Directors' Report and consolidated and separate financial statements of Impresa - Sociedade Gestora de Participações Sociais, S.A. ("the Company") and subsidiaries for the year ended 31 December 2013, which comprise the consolidated and separate statement of financial position as of 31 December 2013, that presents a total of 421,877,868 Euros and 196,680,124 Euros, respectively, and consolidated and separate equity of 126,865,222 Euros and 119,417,566 Euros, respectively, including consolidated net proft of 6,597,529 Euros and a separate net profit 1,146,567 Euros, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows 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 and separate financial statements that present a true and fair view of the financial position of the companies included in the consolidation and the company, its consolidated and separate results and comprehensive income from operations, the changes in its consolidated and separate equity and its consolidated and separate cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as endorsed by the European Union 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 relevant facts that have has influenced its operations and the operations of the companies included in the consolidation, their financial position and, results and comprehensive income.

3. Our responsibility is to examine the consolidated and separate financial information contained in the documents of accounts 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 and separate financial statements are free of material misstatement. This examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and separate financial statements and assessing the estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. This 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 and separate financial statements and assessing if, in all material respects, the financial information is complete, true, timely, clear, objective and licit. Our examination also included verifying that the financial information included in the Directors' Report is consistent with the other consolidated and separate documents of account as well as the verifications established in items 4 and 5 of article 451 of the Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and separate financial statements referred to in paragraph 1 above, present fairly in all material respects, the consolidated and separate financial position of Impresa - Sociedade Gestora de Participações Sociais, S.A. as of 31 December 2013, its consolidated and separate results and comprehensive income from their operations, the changes in its consolidated and separate equity and its consolidated and separate cash flows for the year then ended, in conformity with International Financial Reporting Standards as endorsed 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.

Report on other legal requirements

6. It is also our opinion that the financial information contained in the Directors' Report is in agreement with the consolidated and separate financial statements for the year and that the report on corporate governance includes the items required for the Company in accordance with article 245-A of the Portuguese Securities Market Code.

Lisbon, 17 March 2014

Deloitte & Associados, SROC S.A.
Represented by António Marques Dias

LIST OF QUALIFIED SHAREHOLDERS
REFERRED TO IN SUBPARAGRAPH B) OF NO. 1 OF ARTICLE 8
OF REGULATION NO. 05/2008 OF CMVM

(With reference to 31 December 2013)

Qualifying shareholder	Quantity 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	2,520,000	1.500%
* Through the Deputy Chairman of the Board of Directors, Eng. Francisco Maria Supico Pinto Balsemão	8,246	0.005%
* Through the Chairman of the Supervisory Board, Dr. António Flores de Andrade	160	0.000%
Total imputable	**87,042,994**	**51.811%**
(a) – A IMPREGER, Sociedade Gestora de Participações Sociais, SA is majority held by BALSEGER, Sociedade Gestora de Participações Sociais, SA, which is 99% held by Dr. Francisco José Pereira Pinto de Balsemão, hence the corresponding voting rights are also imputable to him.		
Ongoing Strategy Investments, S.G.P.S., SA (a)		
* Through Ongoing Energy, SGPS, SA	39,357,390	23.427%
* Through Investoffice – Investimentos e Consultoria Financeira, SA	534,824	0.318%
* Through member of the administration body	10,120	0.006%
Total imputable	**39,902,334**	**23.751%**
(a) – Ongoing Strategy Investments, S.G.P.S., SA is majority held by RS Holding, SGPS, SA, which is 99.99% held by Isabel Maria Alves Rocha dos Santos, hence the corresponding voting rights are also imputable to her.		
Madre – Sociedade Gestora de Participações Sociais, SA		
* Directly (a)	8,344,362	4.967%
Total imputable	**8,344,362**	**4.967%**
(a) – Madre – Sociedade Gestora de Participações Sociais, SA is controlled by Madre – Empreendimentos Turísticos, SA, which, in turn, is controlled by António da Silva Parente, hence the corresponding voting rights are also imputable to him.		

BANCO BPI, SA		
* Directly	6,200,000	3.690%
Total imputable	**6,200,000**	**3.690%**
Newshold – S.G.P.S., S.A.		
* Directly (a)	5,396,538	3.212%
Total imputable	**5,396,538**	**3.212%**
(a) – Newshold – S.G.P.S., SA is 91.25% held by Pineview Overseas, SA, hence the corresponding voting rights are also imputable to it.		

INFORMATION REFERRED TO IN ARTICLES 447 OF CSC AND 14 OF CMVM REGULATION NO. 5/2008

(Shares held by members of the administration and supervisory bodies of the company with reference to 31/12/2013)

Members of the Board of Directors	Shares			
	Held on 31.12.12	Acquired	Transferred	Held on 31.12.13
Francisco José Pereira Pinto de Balsemão	2,520,000	0	0	2,520,000
Pedro Lopo de Carvalho Norton de Matos	0	0	0	0
Francisco Maria Supico Pinto Balsemão	8,246	0	0	8,246
Alexandre de Azeredo Vaz Pinto	140	0	0	140
António Soares Pinto Barbosa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
Miguel Luís Kolback da Veiga	0	0	0	0
José Manuel Archer Galvão Teles	0	0	0	0

Francisco José Pereira Pinto de Balsemão – Held, on 31.12.12, 2,520,000 IMPRESA shares, position which, since there was no acquisition/disposal of shares in 2013, was maintained on 31.12.13. In IMPREGER – Sociedade Gestora de Participações Sociais, SA, which is in a relationship of control with IMPRESA, held, through BALSEGER, SGPS, SA, in which he holds a 99.99999% stake, on 31.12.12, 12,095,376 shares, position which, since there was no acquisition/disposal of shares in 2013, was maintained on 31.12.13. His wife, Maria Mercedes Aliú Presas Pinto de Balsemão, held, on 31.12.12, 868 IMPRESA shares, position which, since there was no acquisition/disposal of shares in 2013, was maintained on 31.12.13. IMPREGER – Sociedade Gestora de Participações Sociais, SA, in which he is Chairman of the Board of Directors, held, on 31.12.12, 84,514,588 shares, position which, since there was no acquisition/disposal of shares in 2013, was maintained on 31.12.13. The company Francisco Pinto Balsemão, Lda., in which he is Manager, held, on 31.12.12, 140 shares, position which, since there was no acquisition/disposal of shares in 2013, was maintained on 31.12.13.

Pedro Lopo de Carvalho Norton de Matos – Made no acquisition/disposal of shares in 2013.

Francisco Maria Supico Pinto Balsemão – Made no acquisitions/disposals in 2013. IMPREGER – Sociedade Gestora de Participações Sociais, SA, in which he is a Director, held, on 31.12.12, 84,514,588 shares, position which, since there was no acquisition/disposal of shares in 2013, was maintained on 31.12.13.

Alexandre de Azeredo Vaz Pinto – Made no acquisition/disposal of shares in 2013.

António Soares Pinto Barbosa – Made no acquisition/disposal of shares in 2013.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia – Made no acquisition/disposal of shares in 2013..

Miguel Luís Kolback da Veiga – Made no acquisition/disposal of shares in 2013.

José Manuel Archer Galvão Teles – Made no acquisition/disposal of shares in 2013.

Statutory Auditor and Alternate	Shares			
	Held on 31.12.12	Acquired	Transferred	Held on 31.12.13
Deloitte & Associados, SROC, SA	0	0	0	0
Luís Augusto Gonçalves Magalhães (ROC)	0	0	0	0

ANNEX REFERRED TO IN ARTICLE 448
OF THE COMMERCIAL COMPANY CODE
(With reference to 31 December 2013)

With more than 1/2 of capital

Shareholder	Quantity of Shares Held
IMPREGER – Sociedade Gestora de Participações Sociais, SA	87,042,994 shares

With more than 1/10 and less than 1/3 of capital

Shareholder	Quantity of Shares Held
ONGOING STRATEGY INVESTMENTS, SGPS, SA	39,902,334 shares