

IMPRESA

2nd Quarter 2014 Results

IMPRESA – SGPS, S.A.
Public Company
Share Capital Eur 84,000,000
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Press Release: IMPRESA Accounts of 1st Semester 2014

1. Main Facts:

- In the 1st half of 2014, IMPRESA achieved a consolidated net profit of 5.9 M€, representing an increase of 83.7% in relation to the result obtained in the 1st half of 2013. In the 2nd quarter of 2014, net income increased by 15.5%, from 4.1 M€ in 2013 to 4.7 M€.
- IMPRESA achieved an EBITDA of 16.4 M€, representing an increase of 15.2% in relation to the 1st half of 2013.
- In the 1st half of 2014, IMPRESA reached consolidated revenues of 119.3 M€, representing a year-on-year increase of 6.2%, mainly due to the increase in advertising revenues and other revenues.
- In the 1st half of 2014, SIC recorded profits before taxes of 14.8 M€, representing an increase of 34.1% relative to the 1st half of 2013.
- SIC was the leader of the main commercial targets, during daytime and prime-time, achieving an average audience of 20.3% and 27.2%, respectively. SIC closed the 1st half of 2014 as audience leader (27.3%) in the prime-time.
- The IMPRESA Group, with a market share of 48.4% was, in the 1st four months of 2014 (APCT data), the largest media group in terms of digital sales and subscriptions of its publications, with the launch of the digital edition of Expresso Diário, with sales of more than 15,800, being noteworthy.
- Net Debt of 191.5 M€ in June 2014, representing a year-on-year reduction of 9.9 M€.

Table 1. Main Indicators

(Values in €)	Jun-14	Jun-13	ch %	2nd Qt 2014	2nd Qt 2013	ch %
Total Revenues	119.349.073	112.346.241	6,2%	63.550.820	60.701.884	4,7%
Television	90.328.754	81.476.247	10,9%	47.644.859	44.072.118	8,1%
Publishing	28.119.993	30.636.504	-8,2%	15.384.880	16.562.555	-7,1%
Impresa Others	900.326	233.490	285,6%	521.081	67.211	675,3%
Operating Costs	102.951.710	98.107.135	4,9%	52.768.349	50.058.037	5,4%
EBITDA	16.397.363	14.239.106	15,2%	10.782.471	10.643.847	1,3%
EBITDA Margin	13,7%	12,7%		17,0%	17,5%	
EBITDA Television	17.305.562	14.294.589	21,1%	10.438.663	10.061.202	3,8%
EBITDA Publishing	1.065.451	1.868.405	-43,0%	1.343.740	1.565.729	-14,2%
EBITDA Impresa Others	-1.973.650	-1.923.888	-2,6%	-999.932	-983.084	-1,7%
Net Profits	5.938.794	3.232.018	83,7%	4.724.418	4.089.770	15,5%
Net Debt (M€)	191,5	201,4	-4,9%			

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



2. Analysis of the Consolidated Accounts

In the 1st half of 2014, IMPRESA achieved consolidated revenues of 119.3 M€, representing an increase of 6.2% in relation to the 112.3 M€ achieved in the 1st half of 2013. In the 2nd quarter of 2014, consolidated revenues came to 63.6 M€, which represented an increase of 4.6% in relation to the 60.7 M€ recorded in the 2nd quarter of 2013.

The following should be noted relative to activity in the 1st half of 2014:

- 6.3% increase in advertising revenues, with a 10.1% growth in the television area.
- 21.7% increase in other revenues, namely sale of contents and associated products and multimedia.
- 1.1% increase in channel subscription revenues.
- 9.2% decline in circulation revenues.

Table 2. Total Revenues

(Values in €)	Jun-14	Jun-13	ch %	2nd Qt 2014	2nd Qt 2013	ch %
Total Revenues	119.349.073	112.346.241	6,2%	63.550.820	60.701.884	4,7%
Advertising	59.236.314	55.737.394	6,3%	34.390.437	31.514.116	9,1%
Channel Subscriptions	22.523.645	22.285.068	1,1%	11.244.214	11.199.585	0,4%
Circulation	12.278.698	13.521.204	-9,2%	6.171.978	6.742.963	-8,5%
Others	25.310.416	20.802.575	21,7%	11.744.191	11.245.220	4,4%

In the 1st half of 2014, operating costs, without considering depreciation charges, increased by 4.9% in relation to June 2013, with fixed costs having risen 2%, mainly due to the effect of the reinstatement (i.e. 10% increase) of the salaries of senior staff members of the Group, and variable costs having increased by 6.5%, with programming costs (new SIC Caras channel) and costs associated to other revenues being responsible for this increase.

The performances recorded, in terms of revenues and operating costs, enabled a consolidated EBITDA of 16.4 M€ to be reached in the 1st half of 2014, which represented a year-on-year gain of 15.2%. The EBITDA margin came to 13.7%, relative to a margin of 12.7% in the same period of the previous year. In the 2nd quarter of 2014, consolidated EBITDA came to €10.8 million, a value similar to that reached in the 2nd quarter of 2013. It is important to mention that, in the 2nd quarter of 2014, the increase in advertising revenues offset the decline in the margin of other revenues, namely those related to telephone participation competitions.

The volume of amortisation/depreciation fell 28.5% to 2.0 M€ in the 1st half of 2014, reflecting the contraction in investment over the last few financial years. In the 2nd quarter of 2014, depreciation charges decreased by 24%.

In the 1st half of 2014, negative financial results improved by 10.3% relative to June 2013, reaching 5.3 M€. This variation is explained by the reduction in interest-bearing liabilities and by the positive performance of the results of the affiliates Vasp and Lusa. In the 2nd quarter of 2014, the negative financial results improved by 9.6%.



**IMPRESA**

Sociedade Gestora de Participações Sociais, SA.

In the 1st half of 2014, earnings before tax and non-controlling interests reached 9.0 M€, representing an increase of 65.3% relative to the 5.5 M€ achieved in June 2013. With regards to the 2nd quarter of 2014, earnings before tax and non-controlling interests came to 7.1 M€, an increase of 11% relative to the 6.3 M€ recorded in the 2nd quarter of 2013.

In the 1st half of 2014, IMPRESA reached a consolidated positive net income of 5.9 M€, representing an increase of 83.7% relative to the net income of 3.2 M€ achieved in June 2013. In the 2nd quarter of 2014, net income increased by 15,5%, from 4.1 M€ in 2013 to 4.7 M€.

Table 3. Profit & Loss

(Values in €)	Jun-14	Jun-13	ch %	2nd Qt 2014	2nd Qt 2013	ch %
Total Revenues	119.349.073	112.346.241	6,2%	63.550.820	60.701.884	4,7%
Television	90.328.754	81.476.247	10,9%	47.644.859	44.072.118	8,1%
Publishing	28.119.993	30.636.504	-8,2%	15.384.880	16.562.555	-7,1%
Impresa Others	900.326	233.490	285,6%	521.081	67.211	675,3%
Operating Costs	102.951.710	98.107.135	4,9%	52.768.349	50.058.037	5,4%
Total EBITDA	16.397.363	14.239.106	15,2%	10.782.471	10.643.847	1,3%
EBITDA margin	13,7%	12,7%		17,0%	17,5%	
Television	17.305.562	14.294.589	21,1%	10.438.663	10.061.202	3,8%
Publishing	1.065.451	1.868.405	-43,0%	1.343.740	1.565.729	-14,2%
Impresa Others	-1.973.650	-1.923.888	-2,6%	-999.932	-983.084	-1,7%
Depreciation	2.033.442	2.845.028	-28,5%	1.011.320	1.329.878	-24,0%
EBIT	14.363.921	11.394.078	26,1%	9.771.151	9.313.969	4,9%
EBIT Margin	12,0%	10,1%		15,4%	15,3%	
Financial Results (-)	5.345.548	5.914.448	-9,6%	2.742.275	2.992.904	-8,4%
Res. bef. Taxes & Minorities	9.018.373	5.479.630	64,6%	7.028.876	6.321.065	11,2%
Taxes (IRC)(-)	3.079.579	2.247.612	37,0%	2.304.458	2.230.708	3,3%
Minority Interests (-)	0	0	-	0	587	-100,0%
Net Profits	5.938.794	3.232.018	83,7%	4.724.418	4.089.770	15,5%

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

In terms of the balance sheet, at the end of June 2014, net debt stood at 191.5 M€, i.e. 9.9 M€ lower than the same period of the previous year. At the end of the 1st half of 2014, medium and long term debt represented approximately 63% of total net bank debt. With respect to financial leasing, the value at the end of the 1st half of 2014 came to 9.6 M€, i.e. a decrease of 3.1 M€ relative to the same period of the previous year.



3. Television - SIC

Table 4. Television Indicators						
	Jun-14	Jun-13	ch %	2nd Qt 2014	2nd Qt 2013	ch %
Total Revenues	90.328.754	81.476.247	10,9%	47.644.859	44.072.118	8,1%
Advertising	46.337.031	42.094.325	10,1%	26.570.732	23.506.555	13,0%
Channel Subscriptions	22.523.645	22.285.068	1,1%	11.244.214	11.199.585	0,4%
Others	21.468.078	17.096.854	25,6%	9.829.913	9.365.978	5,0%
Operating Costs	73.023.192	67.181.658	8,7%	37.206.196	34.010.916	9,4%
EBITDA	17.305.562	14.294.589	21,1%	10.438.663	10.061.202	3,8%
EBITDA (%)	19,2%	17,5%		21,9%	22,8%	
Res. Bef. Taxes	14.809.365	11.040.595	34,1%	9.230.987	8.453.252	9,2%

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

SIC ended the 1st half of 2014 with total revenues of 90.3 M€, which represented an increase of 10.9%, with the increase in advertising revenues and other revenues being noteworthy. In the 2nd quarter of 2014, total revenues reached 47.6 M€, an increase of 8.1% relative to the same period of 2013.

In the 1st half of 2014, advertising revenues increased by 10.1% to 46.3 M€. This performance was due to the evolution of audiences, mainly in prime time and in the commercial targets. In the 2nd quarter of 2014, advertising revenues increased by 13.0% to 26.6 M€.

In the 1st half of 2014, SIC continued to be audience leader in the main television (prime-time) time slot, ending the 1st half with a share of 27.3%. This leadership was due to the soap opera "Sol de Inverno" and "Jornal da Noite", in addition to the excellent performances of the soap operas "Amor à Vida" and "A Guerreira". In the commercial targets ABCD15-54, in this prime-time, SIC achieved a share of 27.2%.

Among the remaining programming of the 1st half of 2014, special reference should be made of the Golden Globes Gala, a partnership with CARAS, and the European Football League, namely the final playoff between Benfica and Seville, which was the 2nd most watched television programme over this period.

The subscription revenues of the thematic channels increased by 1.1% to 22.5 M€ in the 1st half of 2014. This increase was due to the expansion of the domestic market and the increase in international revenues that already represent 13.1% of total revenues.

The thematic channels achieved a collective audience of 3.4% in the 1st half of 2014 (3.1% in the 1st half of 2013), with a good performance of the SIC Radical and SIC Mulher channels and the launch, in December 2013, of the new SIC Caras channel. It should be mentioned that, in June 2014, the SIC Caras debuted on the ZAP platform in the Angolan and Mozambican markets, being the 4th channel distributed on this platform.



The performances registered enabled EBITDA to reach 17.3 M€ in the 1st half of 2014, representing a year-on-year increase of 21.1%, to which corresponds a margin of 19.2% (17.5% in 2013). In the 2nd quarter of 2014, EBITDA reached 10.4 M€, with a margin of 21.9%.

Earnings before taxes in the 1st half of 2014 reached 14.8 M€, representing a year-on-year increase of 34.1%. In the 2nd quarter of 2014, earnings before taxes came to 9.2 M€, which compares to 8.5 M€ registered in the 2nd quarter of 2013, representing an increase of 9.2%.



4. IMPRESA Publishing

Table 5. Publishing Indicators						
	Jun-14	Jun-13	ch %	2nd Qt 2014	2nd Qt 2013	ch %
Total Revenues	28.119.993	30.636.504	-8,2%	15.384.880	16.562.555	-7,1%
Advertising	12.844.654	13.614.140	-5,7%	7.777.061	7.991.019	-2,7%
Circulation	12.278.698	13.521.204	-9,2%	6.171.978	6.742.963	-8,5%
Others	2.996.641	3.501.160	-14,4%	1.435.841	1.828.573	-21,5%
Operating Costs	27.054.542	28.768.099	-6,0%	14.041.140	14.996.826	-6,4%
EBITDA	1.065.451	1.868.405	-43,0%	1.343.740	1.565.729	-14,2%
EBITDA (%)	3,8%	6,1%		8,7%	9,5%	
Res. Bef. Taxes	-324.132	503.370	n.a.	668.232	876.697	-23,8%

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

In the Publishing segment, which continues to be significantly affected by the Portuguese economic environment, total revenues registered a decline of 8.2% to 28.1 M€ in the 1st half of 2014, which was transversal to all the activities of IMPRESA Publishing. In the 2nd quarter of 2014, total revenues fell 7.1% to 15.4 M€.

Advertising revenues fell 5.7% in the 1st half of 2014, relative to the same period of the previous year. In the 2nd quarter of 2014, advertising revenues fell 2.7% to 7.8 M€.

Circulation revenues fell 9.2% in the 1st half of 2014, reaching 12.3 M€. In the 2nd quarter of 2014, advertising revenues fell 8.5%, reaching 6.2 M€.

The continued focus on digital enabled a positive performance in digital sales to be achieved, with a year-on-year increase of 43.3% and an increase of 13.1% relative to December 2013, reaching about 25,000 digital customers at the end of the 1st half of 2014.

The IMPRESA Group, with a market share of 48.4% was, in the 1st four months of 2014, the largest media group in terms of sales and signatures of digital copies of its publications, with emphasis on the launch in May 2014 of Expresso Diário, a digital newspaper for subscribers and buyers of the weekly paper newspaper, with sales of more than 15,800.

Facing a difficult economic climate, other revenues, which include namely sales of associated products, fell 14.4% in the 1st half of 2014, reaching 3.0 M€. In the 2nd quarter of 2014, other revenues fell 21.5% year-on-year.

In the 1st half and 2nd quarter of 2014, operating costs fell 6.0% and 6.4% year-on-year, respectively.

This operating evolution enabled a positive EBITDA to be reached in the amount of 1.1 M€, corresponding to a margin of 3.8%. In the 2nd quarter of 2014, EBITDA came to 1.3 M€, corresponding to a margin of 8.7% relative to a margin of 9.5% achieved in the 2nd quarter of 2013.



Earnings before taxes were negative, reaching 324.1 thousand euros in the 1st half of 2014, compared to 503.4 thousand euros registered in the same period of the previous year. In the 2nd quarter of 2014, earnings before taxes were positive, to the value of 668.2 thousand euros, compared to 876,700 euros achieved in the 2nd quarter of 2013.

In the 1st half of 2014, the following events in the publishing area are noteworthy:

- The Expresso continues to be the most sold weekly newspaper in Portugal (APCT data relative to the 1st four months of 2014).
- The Visão, Exame, Exame Informática and Blitz magazines continue to be leaders in their respective segments (APCT data relative to the 1st four months of 2014).
- The Exame, Exame Informática, Courier, Blitz, Jornal de Letras and Visão Júnior publications registered an increase in paid circulation (APCT data relative to the 1st four months of 2014).
- Award of the Prémio Pessoa 2013 to Maria Manuel Mota, with the presence of the President of the Republic, a partnership between Expresso and Caixa Geral de Depósitos.
- Golden Globes Gala, a partnership between Caras magazine and SIC.
- Primus Inter-Peer Award, in partnership with Banco Santander Totta.
- Car of the Year/Essilor Crystal Wheel Trophy.



5. IMPRESA Other

Table 6. Impresa Others Indicators

	Jun-14	Jun-13	ch %	2nd Qt 2014	2nd Qt 2013	ch %
Total Revenues	900.326	233.490	285,6%	521.081	67.211	675,3%
InfoPortugal + Olhares	989.091	777.447	27,2%	524.153	467.659	12,1%
Others & Inter-segments	-88.765	-543.957	-83,7%	-3.072	-400.448	-99,2%
Operating Costs	2.873.976	2.157.378	33,2%	1.521.013	1.050.295	44,8%
EBITDA	-1.973.650	-1.923.888	-2,6%	-999.932	-983.084	-1,7%
InfoPortugal + Olhares	110.907	15.780	602,8%	19.732	8.277	138,4%
Others & Inter-segments	-2.084.553	-1.939.668	-7,5%	-1.019.660	-991.361	-2,9%
Res. Bef. Taxes	-5.466.860	-6.064.335	-9,9%	-2.870.343	-3.008.884	-4,6%

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

This segment, which includes the management and financial costs of the holding, also includes the operating activities of Infoportugal, a company dedicated to information technologies and content production, namely aerial photography, cartography and georeferenced contents, and of Olhares, whose main businesses are the exploitation of the photography website and of the Olhares Academy.

INFOPORTUGAL and Olhares achieved revenues of 989.1 thousand euros in the 1st half of 2014, representing a year-on-year increase of 27.2%. In the 2nd quarter of 2014, the increase came to 12.1% relative to the 2nd quarter of 2013. In terms of EBITDA, these companies registered the value of 110.9 thousand euros at the end of the 1st half of 2014, which compares to the result of 15.8 thousand euros achieved in the same period of the previous year.



6. Prospects

Based on the results achieved in the 1st half of 2014, the IMPRESA Group reaffirms its conviction that it will achieve the objectives set: improvement of operational indicators, diversification of revenues, reduction of interest-bearing liabilities and an increase in net income.

Lisbon, 24th July 2014

On behalf of the Board of Directors

José Freire
Director Investor Relations
www.impresa.pt



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

Consolidated Accounts
(values in Euros)

<u>ASSETS</u>	June 2014	Dec 2013
NON CURRENT ASSETS		
Goodwill	300.892.821	300.892.821
Other intangible assets	279.590	329.667
Tangible fixed assets	28.458.080	29.291.053
Financial investments	6.569.140	6.736.787
Investment properties	6.151.963	6.151.963
Program Rights & Inventories	7.671.854	8.591.730
Other assets	6.143.267	6.298.622
Deferred Taxes	1.285.487	1.269.646
Total Non Current Assets	<u>357.452.202</u>	<u>359.562.289</u>
CURRENT ASSETS		
Program Rights & Inventories	16.681.714	19.303.327
Customers - current account	41.273.488	37.456.394
Other receivables	4.748.540	4.121.294
Cash and equivalents	2.016.292	1.434.564
Total Current Assets	<u>64.720.034</u>	<u>62.315.579</u>
TOTAL ASSETS	<u><u>422.172.236</u></u>	<u><u>421.877.868</u></u>
	June 2014	Dec 2013
EQUITY, MINORITIES AND LIABILITIES		
EQUITY		
Capital	84.000.000	84.000.000
Share issue premiums	36.179.272	36.179.272
Legal reserve	1.108.090	1.050.761
Retained earnings and other reserves	5.577.861	(962.340)
Consolidated net profit	5.938.794	6.597.529
Equity of IMPRESA shareholders	<u>132.804.017</u>	<u>126.865.222</u>
Equity of minority interests	-	-
Total Equity Funds	<u><u>132.804.017</u></u>	<u><u>126.865.222</u></u>
LIABILITIES		
NON CURRENT LIABILITIES		
Loans	120.488.619	126.592.167
Leasing	6.847.908	8.066.251
Provisions for risk and charges	5.262.588	5.894.373
Deferred Taxes	472.581	471.581
Total Non Current Liabilities	<u>132.599.115</u>	<u>140.552.791</u>
CURRENT LIABILITIES		
Loans	73.074.852	63.063.025
Leasing	2.766.165	3.028.626
Suppliers payables	26.556.367	40.964.269
Other current liabilities	53.899.139	46.931.354
Total Current Liabilities	<u>156.296.523</u>	<u>153.987.274</u>
TOTAL EQUITY, MINORITIES AND LIABILITIES	<u><u>421.699.655</u></u>	<u><u>421.405.287</u></u>

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

Consolidated Accounts
(values in Euros)

	June 2014	June 2013
REVENUES		
Goods	14.041.791	15.368.627
Services	104.442.103	96.410.016
Other	865.179	567.598
Total Revenues	<u>119.349.073</u>	<u>112.346.241</u>
OPERATING COSTS		
Program costs and of goods sold	(39.503.260)	(38.114.084)
External Supplies	(35.329.980)	(32.993.620)
Personnel costs	(26.880.432)	(25.728.283)
Depreciation	(2.033.442)	(2.845.028)
Provisions and impairment	(240.000)	(253.720)
Other operating costs	(998.038)	(1.017.428)
Total Operating Costs	<u>(104.985.152)</u>	<u>(100.952.163)</u>
Operating Results	<u>14.363.921</u>	<u>11.394.078</u>
FINANCIAL RESULTS		
Gains & Losses in Associated Companies	279.476	130.006
Other Financial Costs	(5.625.024)	(6.044.454)
Financial Results	<u>(5.345.548)</u>	<u>(5.914.448)</u>
Results before income taxes	<u>9.018.373</u>	<u>5.479.630</u>
Income Taxes	(3.079.579)	(2.247.612)
Consolidated Net profit	<u>5.938.794</u>	<u>3.232.018</u>
Due to:		
IMPRESA shareholders	3.232.018	3.232.018
Minorities interests	-	3.646
Earnings per share		
EPS	0,0192	0,0192