

IMPRESA

Results of the 1st Quarter 2017

IMPRESA – SGPS, S.A.
Publicly Held Company
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IMPRESA Accounts of the 1st quarter 2017

1. Main events of the 1st quarter 2017

- IMPRESA achieved a negative net income of 2.8 M€, which represents a decrease (-12.9%) relative to the 1st quarter of 2016.
- Net remunerated debt fell by 3.3 M€ year-on-year, to 191.6 M€
- The 5.5% decline in IMPRESA total revenues, to 45.3 M€, was due to the decline in advertising revenues in the Publishing area, and lower associated products and multimedia activity.
- IMPRESA continued its cost reduction policy, with a reduction of 3.7% in the 1st quarter 2017.
- Total EBITDA was negative, standing at -656,000 Euros.
- Improvement in the financial results, by 20.3% to 1.8 M€
- SIC ended the 1st quarter of 2017 with an average share of 17.6%, maintaining its leadership position in the commercial target (A/B CD 25/54) during prime time, with a share of 17.8%.
- SIC Notícias stood out once again as the leading information channel, with a share of 2.1%.
- In March 2017, SIC Internacional África was launched, with its own contents for the African market, and thus consolidating SIC as a reference channel in Portuguese speaking markets.
- SIC novelas won a Gold Medal for “Mar Salgado” on the World Media Festival, and the Bronze medal for “Amor Maior” at the International Television & Film Awards.
- The bet on the digital transition, means that the digital revenues, both advertising and circulation, represent 11.4% of the total turnover in the Publishing area.



Table 1. Main Indicators			
(values in Euros)	mar-17	mar-16	ch %
Total Revenues	45.268.482	47.912.195	-5,5%
Television	34.596.861	36.849.567	-6,1%
Publishing	10.135.246	10.709.553	-5,4%
Infoportugal	569.495	446.911	27,4%
Intersegments & Others	-33.120	-93.836	64,7%
Operating Costs (1)	45.925.252	47.699.041	-3,7%
EBITDA	-656.770	213.154	n.a
EBITDA Margin	-1,5%	0,4%	
EBITDA Television	712.137	2.032.708	-65,0%
EBITDA Publishing	-723.557	-559.065	-29,4%
EBITDA Infoportugal & Others	-645.350	-1.260.489	48,8%
Net Profits	-2.759.152	-2.444.785	-12,9%
Net Debt (M€)	191,6	194,9	-1,7%

Note: EBITDA = Operating Results + Amortisations and Depreciation + Impairment Losses. Net Debt = Loans (ST+MLT) - Cash and cash equivalents + Financial leases. (1) Does not consider Amortisations and Depreciation and Impairment Losses.



2. Analysis of the Consolidated Accounts

In the 1st quarter of 2017, IMPRESA reached consolidated revenues of 45.2 M€, which represented a decrease of 5.5% in relation to 47.9 M€ recorded in the 1st quarter of 2016. This decrease in consolidated revenues was due to the decline in the multimedia, associated products and advertising in the Publishing area.

The following should be noted relative to business in the 1st quarter of 2017:

- 2.0% increase in advertising revenues, with the drop in paper advertising, being compensated by TV and Digital advertising.
- 0.4% increase in circulation revenues.
- 2.1% decline in channel subscription revenues, due to lower international revenues.
- 39.7% decline in other revenues, namely in multimedia and associated products.

Table 2. Total Revenues			
(values in Euros)	mar-17	mar-16	ch %
Total Revenues	45.268.483	47.912.195	-5,5%
Advertising	24.403.767	23.920.724	2,0%
Channel Subscription	10.877.843	11.109.134	-2,1%
Circulation	5.557.268	5.534.908	0,4%
Other revenues	4.429.605	7.347.428	-39,7%

Operating costs in the 1st quarter of 2017, without considering amortisation and depreciation, fell 3.7% year-on-year. This decrease benefitted from the decrease in staff costs following the restructuring undertaken at the end of 2016, and from the contraction in multimedia activity.

Based on this performance, EBITDA came negative, at -656,000 Euros, in the 1st quarter of 2017, 860,000 Euros less than in the same period of 2016.

The volume of amortisations increased 3.5% to 0.9 M€ in the 1st quarter of 2017, as a result of the investments rise in 2016. The expansion of the IMPRESA building was initiated in March 2017, a project that will enable all of the activities of the Group - Television and Publishing - to be brought together in the same building, which is expected to be concluded in the 4th quarter of 2018.

In the 1st quarter of 2017, the negative financial results came to 1.8 M€, down 20.3% relative to 2.3 M€ in the 1st quarter of 2016. The good results obtained are a result of the reduction in financial costs, due to falling interest rates. There was, at the same time, a significant reduction in exchange rate losses during this 1st quarter of the year. Also, in the results of associated companies, there were lower losses relative to the same quarter of 2016.



Net income at the end of the 1st quarter of 2017 was negative, to the value of 2.8 M€, representing a decrease of 12.9% relative to the net income obtained in the same period of 2016.

Table 3. Profit & Loss			
(values in Euros)	mar-17	mar-16	ch %
Total Revenues	45.268.482	47.912.195	-5,5%
Television	34.596.861	36.849.567	-6,1%
Publishing	10.135.246	10.709.553	-5,4%
Infoportugal & Others	569.495	446.911	27,4%
Intersegments	-33.120	-93.836	-64,7%
Operating Costs (1)	45.925.252	47.699.041	-3,7%
Total EBITDA	-656.770	213.154	n.a
EBITDA Margin	-1,5%	0,4%	
Television	712.137	2.032.708	-65,0%
Publishing	-723.557	-559.065	-29,4%
Infoportugal & Others	-645.350	-1.260.489	48,8%
Depreciation	907.259	876.961	3,5%
EBIT	-1.564.029	-663.807	-135,6%
EBIT Margin	-3,5%	-1,4%	
Financial Results	1.800.190	2.257.712	-20,3%
Res. Bef Taxes & Minorities	-3.364.219	-2.921.519	-15,2%
Income Tax (IRC)(-)	-605.067	-476.734	-26,9%
Net Profit	-2.759.152	-2.444.785	-12,9%

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

In terms of the balance sheet, in the 1st quarter of 2017, net debt - including financial leases, stood at 191.6 M€, i.e. a year-on-year decrease of 3.3 M€.



2. Television – SIC

Table 4. Television Indicators			
(values in Euros)	mar-17	mar-16	ch %
Total Revenues	34.596.861	36.849.567	-6,1%
Advertising	20.325.213	19.777.339	2,8%
Channel Subscriptions	10.877.843	11.109.134	-2,1%
Multimedia	2.361.188	4.982.222	-52,6%
Other revenues	1.032.617	980.872	5,3%
Operating Costs (1)	33.884.724	34.816.859	-2,7%
EBITDA	712.137	2.032.708	-65,0%
EBITDA Margin (%)	2,1%	5,5%	

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

SIC ended the 1st quarter of 2017 with total revenues of 34.6 M€, which represented a decrease of 6.1%. This decline is due, almost entirely, to the 52,6% fall in multimedia revenues.

Advertising revenues, in the 1st quarter of 2017, reached 20.3 M€, up 2.8% in comparison with the 1st quarter of 2016, and the comparison is penalised by: elections air time, transmitted in January 2016; less one day in the 1st quarter of 2017; and the Easter holidays, which was only in April. However, it is important to highlight the excellent performance of the advertising revenues in the cable channels and in digital area.

SIC ended the 1st quarter of 2017 with an average of 17.6%, 0.8 percentage points less than the same quarter of the previous year, maintaining its leadership position in the main commercial target (A/B C D 25/54) during prime time, amongst generalist channels, with a share of 21.5%. During the week, its leadership was even more pronounced, with a share of 22.1%. The performance of “Jornal da Noite” and of the soap “Amor Maior” and “Rainha das Flores” contributed to these good results.

SIC's set of generalist and thematic channels obtained a collective market share of 20.6% in the 1st quarter of 2017, representing 1.3 pp less in comparison with the 1st quarter of 2016. In the commercial target (A/B C D 25/54), SIC's group of channels ended in the leading position, with a share of 20.7%, 1.9 pp lower year-on-year.

SIC's programming has, since January 2017, continued to be renovated. In January, the programme “Agarra a Música” debuted on Sunday nights and on the April, the programme Just Duet – “O Dueto Perfeito” debuted on Sunday evenings. In the end of March, as launched a new information format “Vidas Suspensas”. The offer on weekdays was recast, with the debut of “Juntos à Tarde” at the beginning of March. On April 17th, SIC launched a new Brazilian soap “Novo Mundo” on the access prime-time. The debut of the new Portuguese soap “Espelho d’Água” is scheduled for the May 1st, in prime time.



Subscription revenues generated by the 8 SIC channels, distributed over cable and satellite, in Portugal and abroad, fell 2.1% in the 1st quarter of 2017 to 10.9 M€. This decrease was due to the reduction in foreign revenues, whose effect will begin to fade as of the 2nd quarter of 2017, as the new contracts come into action.

In March 2017, SIC Internacional África was launched, with its own contents for the African market.

Thematic Channels

	(%)	1st Qt 2017
1º	CMTV	2,5
2º	Hollywood	2,2
3º	SIC Notícias	2,1
4º	TVI24	1,8
5º	Globo	1,8
6º	Disney Channel	1,7
7º	Panda	1,7
8º	FOX	1,6
21º	SIC Mulher	0,8
34º	SIC Radical	0,4
49º	SIC Caras	0,2
61º	SIC K	0,1

Source: GfK, consolidated values

In terms of audiences, in the 1st quarter of 2017, SIC's subscription channels reached a collective market share of 3.6%, 0.3 pp lower year-on-year. SIC Notícias stood out once again as the information channel most preferred by the Portuguese, with a share of 2.1%, reaching the 3rd position in the general ranking of subscription channels.

Regarding the other thematic channels, in the 1st quarter of 2017, SIC Mulher and SIC Radical obtained a market share of 0.8% and 0.4%, respectively, while SIC Caras reached a share of 0.2% and SIC K maintained a share of 0.1%.

Multimedia (or IVR) revenues in the 1st quarter of 2017 fell sharply (52.6%) to 2.4 M€, as a result of the discontinuation of the Sunday programme "Portugal em Festa" at the beginning of May 2016.

Other revenues in the 1st quarter of 2017 increased by 5.3% to 1.0 M€, in light of the good start to the year in terms of the contents sales.

Operating costs fell 2.7% in the 1st quarter of 2017, with decline in other costs partially offset with the rise in programming costs. In March 2017, SIC initiated a restructuring process which will enable it to reduce personnel costs from the 2nd quarter onwards. In the 1st quarter of 2017, restructuring costs came to just 52,000 Euros.

With this operating evolution, EBITDA came to 0.7 M€ in the 1st quarter of 2017, in comparison with the results (2.0 M€) obtained in the 1st quarter of 2016, impacted by the evolution of IVRs at the start of this year.



4. IMPRESA Publishing

Table 5. Publishing Indicators			
(values in Euros)			
	mar-17	mar-16	ch %
Total Revenues	10.135.246	10.709.553	-5,4%
Circulation	5.557.268	5.534.908	0,4%
Advertising	3.966.067	4.134.981	-4,1%
Associated products	309.456	545.051	-43,2%
Other revenues	302.455	494.613	-38,9%
Operating Costs (1)	10.858.803	11.268.618	-3,6%
EBITDA	-723.558	-559.065	-29,4%
EBITDA Margin (%)	-7,1%	-5,2%	

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

In the Publishing segment, during the 1st quarter of 2017, total revenues decreased by 5.4% to 10.1 M€, in comparison with the same quarter of the previous year. Lower advertising, associated products and other revenues were the main contributors to this decrease.

In the 1st quarter of 2017, circulation revenues increased by 0.4% to 5.5 M€, ending a long sequence of declines throughout the last few quarters. The good performance recorded in this quarter was due to the following factors: increase in terms of paid circulation of 6 publications; growth of subscription revenues; and updating of cover prices for the majority of the publications. Also noteworthy are the digital revenues of the publications, which grew 17.3% in the 1st quarter of 2017, representing 5.7% of the total circulation revenues of this heading.

Advertising revenues reached 4.0 M€ in the 1st quarter of 2017, having fallen 4.1% in relation to the same quarter of 2016. However, it is important to mention the contribution to this heading of the digital area, whose advertising increased by 21%, representing 23.0% of the total advertising revenues of the Publishing area.

The continued focus on digital formats led to a favourable evolution in digital revenues in the 1st quarter of 2017, with digital advertising and circulation revenues representing 11.4% of the total turnover of this area.

The sales of associated products fell 43.2% in the 1st quarter of 2017, with revenues just reaching 0.3 M€. Other revenues fell 38.9% to also 0.3 M€.

In the wake of the measures that have been implemented since 2016, the tight cost control strategy was maintained, having led to a decrease of 3.6% in operating costs in the 1st quarter of 2017, offsetting the partial decline in revenues. In the 1st quarter of 2017, restructuring costs of 0.21 M€ were recorded.

The combined performance of operating revenues and costs, and the restructuring costs, expanded the negative EBITDA to -723,000 Euros, compared with the -559,000 Euros in the 1st quarter of 2016.



5. IMPRESA Other

Table 6. IMPRESA Others Indicators & Intersegments			
(values in Euros)	mar-17	mar-16	ch %
Total Revenues	536.376	353.075	51,9%
Infoportugal	569.495	446.911	27,4%
Intersegments & Others	-33.120	-93.836	64,7%
Operating Costs (1)	1.181.726	1.613.564	-26,8%
EBITDA	-645.350	-1.260.489	48,8%

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

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

In the 1st quarter of 2017, following the strong growth of cartography projects registered in 2016, Infoportugal reached operating revenues of 569,495 Euros, which represents a gain of 27.4% relative to the 1st quarter of 2016. This good performance during the 1st quarter, was due to the growth in digital cartography and aerial photography area, as well as new content supply contracts, which permitted a significant expansion of the Infoportugal margin.

In terms of consolidated results, in the 1st quarter of 2017 the EBITDA of this segment was negative by 0.64 M€, representing nonetheless a year-on-year improvement of approximately 48.8%, due to lower restructuring costs and improved margin by Infoportugal.



6. Prospects

The objectives for 2017 are to improve the IMPRESA operational indicators and net profit. The results obtained in this 1st quarter of 2017 allow us to reiterate the annual objectives and continue with the implementation of the Strategic Plan for the three-year period 2017-2019.

Lisbon, April 27th, 2017

By the Board of Directors

José Freire
Investor Relations Director
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IMPRESA - Sociedade Gestora de Participações Sociais, S.A.

Consolidated Accounts
(values in Euros)

ASSETS	March 2017	Dec 2016
NON CURRENT ASSETS		
Goodwill	300.892.821	300.892.821
Other intangible assets	363.557	435.821
Tangible fixed assets	27.643.907	28.234.916
Financial investments	3.588.606	3.667.894
Investment properties	5.912.440	5.912.440
Program Rights & Inventories	4.479.848	4.568.154
Other assets	4.919.728	4.941.825
Deferred Taxes	832.865	818.427
Total Non Current Assets	<u>348.633.772</u>	<u>349.472.298</u>
CURRENT ASSETS		
Program Rights & Inventories	17.210.375	17.059.014
Customers - current account	27.479.679	37.631.796
Other receivables	6.404.376	6.329.572
Deferred Taxes	421.262	-
Cash and equivalents	1.646.188	3.491.256
Total Current Assets	<u>53.161.880</u>	<u>64.511.638</u>
TOTAL ASSETS	<u><u>401.795.652</u></u>	<u><u>413.983.936</u></u>
	March 2017	Dec 2016
EQUITY, MINORITIES AND LIABILITIES		
EQUITY		
Capital	84.000.000	84.000.000
Share issue premiums	36.179.272	36.179.272
Legal reserve	1.782.188	1.782.188
Retained earnings and other reserves	22.280.225	19.520.330
Consolidated net profit	(2.759.152)	2.759.895
Equity of IMPRESA shareholders	<u>141.482.533</u>	<u>144.241.685</u>
Equity of minority interests	-	-
Total Equity Funds	<u>141.482.533</u>	<u>144.241.685</u>
LIABILITIES		
NON CURRENT LIABILITIES		
Loans	132.526.031	134.730.289
Leasing	228.843	256.701
Provisions for risk and charges	3.886.854	3.757.354
Deferred taxes	315.456	315.456
Total Non Current Liabilities	<u>136.957.184</u>	<u>139.059.800</u>
CURRENT LIABILITIES		
Loans	60.392.733	51.596.359
Leasing	118.160	113.399
Suppliers payables	25.790.144	29.876.474
Deferred Taxes	-	253.801
Other current liabilities	37.054.898	48.842.418
Total Current Liabilities	<u>123.355.935</u>	<u>130.682.451</u>
TOTAL EQUITY, MINORITIES AND LIABILITIES	<u><u>401.795.652</u></u>	<u><u>413.983.936</u></u>

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

Consolidated Accounts
(values in Euros)

	March 2017	March 2016
REVENUES		
Goods	5.867.528	6.085.386
Services	39.275.097	41.596.280
Other	125.857	230.529
Total Revenues	<u>45.268.482</u>	<u>47.912.195</u>
OPERATING COSTS		
Program costs and of goods sold	(20.587.201)	(19.661.927)
External Supplies	(12.553.380)	(14.517.567)
Personnel costs	(12.370.459)	(12.999.989)
Depreciation	(907.259)	(876.961)
Provisions and impairment	(135.000)	(135.000)
Other operating costs	(279.212)	(384.558)
Total Operating Costs	<u>(46.832.511)</u>	<u>(48.576.002)</u>
Operating Results	<u>-1.564.029</u>	<u>-663.807</u>
FINANCIAL RESULTS		
Gains & Losses in Associated Companies	(79.288)	(243.348)
Other Financial Costs	(1.720.902)	(2.014.364)
Financial Results	<u>(1.800.190)</u>	<u>(2.257.712)</u>
Results before income taxes	<u>-3.364.219</u>	<u>-2.921.519</u>
Income Taxes	605.067	476.734
Consolidated Net profit	<u><u>-2.759.152</u></u>	<u><u>-2.444.785</u></u>