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First nine months results 2017

Grupo Média Capital, SGPS, S.A.

GRUPO MÉDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhana, n.º 40, Barcarena, Oeiras
Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)
Pessoa Coletiva n.º 502 816 481 | Capital Social: 89.583.970,80 euros

FIRST NINE MONTHS 2017 RESULTS

Media Capital's net income increased by 10% to € 9.7 million

- Media Capital's **net income** was up 10% in the first nine months.
- Consolidated **EBITDA** was stable on an accumulated basis, reaching € 22.7 million, benefiting from a relevant effort in cost cutting (-9%), which compensated the decrease in turnover. In the quarter, EBITDA was down by 3% YoY.
- As a result of a lackluster performance of the advertising market, in the first nine months of 2017 **advertising revenues** came down by 4% YoY, although in the third quarter the decrease was less significant (only 2%).
- **TVI** kept the leadership in TV **audience** share, achieving an average of 20.9% and 24.9% in all day and prime time, respectively. The gap over the second most watched channel was 3.9pp in all day and 2.9pp in prime time. TVI's leadership in audiences was also maintained when analysing by groups of channels, with 23.9% in all day and 27.3% in prime time, i.e., respectively 3.4pp and 2.4pp above the second most watched group of channels.
- On financial grounds, the **TV** segment posted an EBITDA of € 19.7 million, which favorably compares with € 19.0 million in 9M 2016 (+4%). In the third quarter, EBITDA grew by 6%, from € 4.3 million to € 4.6 million.
- The **Radio** segment achieved an EBITDA of € 3.7 million, with a margin of 27.6%, and was up 14% vs last year's figure. In the third quarter, EBITDA rose by 81% YoY to € 1.1 million. In the latest audience measurement, Media Capital's radios had yet again their best performance ever in terms of share (38.6%), beating the record attained in the previous reading (38.1%) and growing 3.1pp vs the comparable reading of 2016. In terms of radio formats, Rádio Comercial kept the leadership with a 24.6% share, whereas m80 maintained its highest audience ever (9.7%), standing out as the third radio station in Portugal.

Queluz de Baixo, 14 November 2017



1. Consolidated P&L

€ thousand	9M 2017	9M 2016	% Var	Q3 2017	Q3 2016	% Var
Total operating revenue	115,308	124,302	-7%	36,275	39,035	-7%
Television	94,821	101,107	-6%	29,526	30,847	-4%
Audiovisual Production	20,844	31,441	-34%	8,325	9,163	-9%
Radio	13,227	12,659	4%	4,084	3,790	8%
Others	11,660	12,585	-7%	3,855	4,044	-5%
Consolidation Adjustments	(25,244)	(33,490)	25%	(9,516)	(8,808)	-8%
Total operating expenses ex-D&A	92,563	101,558	-9%	30,861	33,465	-8%
EBITDA	22,745	22,743	0%	5,414	5,571	-3%
EBITDA Margin	19.7%	18.3%	1.4pp	14.9%	14.3%	0.7pp
Television	19,712	18,999	4%	4,575	4,336	6%
Audiovisual Production	(1,627)	504	N/A	43	381	-89%
Radio	3,650	3,210	14%	1,053	582	81%
Others	347	(116)	N/A	(70)	170	N/A
Consolidation Adjustments	663	146	355%	(187)	102	N/A
Depreciation and amortisation	5,785	6,287	-8%	1,947	2,146	-9%
Operating income (EBIT)	16,960	16,456	3%	3,467	3,424	1%
Financing Results	(3,433)	(4,236)	19%	(1,099)	(1,310)	16%
Profit / (Loss) Before Inc. Tax and No Contrl. Int.	13,527	12,220	11%	2,368	2,115	12%
Income Taxes	(3,838)	(3,438)	-12%	(998)	(700)	-43%
Profit / (Loss) from Continued Operations	9,690	8,782	10%	1,370	1,415	-3%
Net Profit / (Loss) for the Period	9,690	8,782	10%	1,370	1,415	-3%

In the first nine months of 2017, **operating revenues** decreased 7% (also -7% in Q3), reaching € 115.3 million (€ 36.3 million in Q3). **Opex** (excluding D&A) had a more relevant decrease (-9%), from € 101.6 million to € 92.6 million. In Q3, opex was also down (-8%) on a YoY basis.

Consolidated EBITDA was € 22.7 million, similar to the previous year figure. In Q3, there was a small decrease (-3%), placing the quarterly EBITDA at € 5.4 million.

EBIT was € 17.0 million, 3% higher than a year ago, whereas in the quarter it grew by 1% to € 3.5 million.

Net income was € 9.7 million, thus 10% above the comparable period of 2016, benefiting from both the improvement in EBIT and the better financial results. In the third quarter, net income reached € 1.4 million (-3% YoY).



€ thousand	9M 2017	9M 2016	% Var	Q3 2017	Q3 2016	% Var
Operating revenue	115,308	124,302	-7%	36,275	39,035	-7%
Advertising	82,989	86,454	-4%	25,887	26,382	-2%
Other revenues	32,319	37,848	-15%	10,387	12,653	-18%

In the first nine months, **advertising revenues** stood 4% below 9M 2016 (-2% in Q3). In the TV segment, advertising fell 5% YoY (-3% in Q3), whereas in the Radio segment there was an increase of 6% (8% in Q3). In the Other segment (which includes Digital, Music & Events, shared services and holding) the variation was -14% YoY (-16% in Q3).

Other operating revenues, which comprise mainly audiovisual production, sale of contents, multimedia and retransmission revenues, were down 15% YoY (-18% in Q3), with a decrease in all of these lines of revenue.

2. Television



€ thousand	9M 2017	9M 2016	Var %	Q3 2017	Q3 2016	Var %
Operating revenue	94,821	101,107	-6%	29,526	30,847	-4%
Advertising	68,207	71,955	-5%	21,259	21,892	-3%
Other revenues	26,615	29,152	-9%	8,267	8,955	-8%
Operating Expenses, ex D&A	75,110	82,108	-9%	24,951	26,511	-6%
EBITDA	19,712	18,999	4%	4,575	4,336	6%
EBITDA margin	20.8%	18.8%	2.0pp	15.5%	14.1%	1.4pp
Depreciation and amortisation	2,150	2,025	6%	699	687	2%
Operating income (EBIT)	17,562	16,975	3%	3,876	3,649	6%

Considering the TVI FTA (generalist) channel, TVI24, TVI Ficção and TVI Reality, TVI's aggregate group of channels led audiences, with 23.9% in all day and 27.3% in prime time (20h-24h). Such leadership was also maintained in the main commercial target - Adults - as shown below.

All Day (%)	UNIVERSE	ADULTS
TVI Group	23.9	24.9
SIC Group	20.5	21.3
RTP Group	16.8	17.7

Prime Time (%)	UNIVERSE	ADULTS
TVI Group	27.3	28.0
SIC Group	24.9	25.6
RTP Group	16.0	16.7



In terms of individual channels, TVI's generalist channel confirmed yet again its #1 position, with a share of 20.9% in all day, 3.9pp above the closest competitor and 8.5pp above the third most watched channel. TVI is the leader in this time slot and commercial target since 2005.

In 2017, TVI also ranks in the first place in the main commercial target - Adults - obtaining a share of 21.7%, i.e. 4.1pp and 8.5pp above the second and third players, respectively.

In prime time, TVI also beats the competition, with a share of 24.7%, meaning 2.9pp above the second channel and a 12.5pp advantage over the third one. TVI leads in this time slot since 2001. A similar position was achieved in the Adults target, with TVI capturing a 25.3% share, while the second and third most watched channels had 22.5% and 12.8%, respectively.

During this period, TVI based its programming on local drama (fiction), entertainment and news.

In **fiction**, the *telenovela* "A Herdeira" had its premiere in September, with an average audience of 1,543 thousand viewers and a share of 32.0% in the first week of exhibition and over 20% more audience than the second most watched content in the same time slot. 2017 has also been marked by another *telenovela* - "Ouro Verde", with an average audience share of 28.1%.

Still in this genre, TVI was the only Portuguese channel to produce a fiction content ("**Jacinta**") that celebrates the 100 years of "Nossa Senhora de Fátima" apparitions.

In **entertainment**, "**Pesadelo na Cozinha**" ("Kitchen Nightmares") had a stellar performance, with an average of 1 million and a half viewers and a 33.1% share, which is more than the sum of its two main competitors in the same slot. "**Apanha se Puder**" ("Raid the Cage") is the new leader in access to prime time (7 p.m. - 8 p.m.), with an average audience share of 24.0%. Moreover, this content is produced in Plural's facilities, thus reinforcing the Group's know-how and contents that are paramount to its success in the medium/long term.

Also in entertainment, "**Masterchef Celebridades**", an unprecedented format in Portugal, was also leader. For the whole 8 shows aired, the program had an average audience of 26.6%.

In day time, the morning talk show "**Você na TV**" kept its leadership (which begun in 2009), while "**A Tarde É Sua**" ranks number one in the afternoons since 2011.

TVI is also leader in the two main time slots for **news** (1 p.m. and 8 p.m.). At the same time, **TVI24** (TVI's news channel in pay-tv) is the number one channel among news channels in prime time. In the top 5 most watched programs in pay-tv, 3 of them belong to TVI24.

In the aftermath of the fire tragedy that took place in Portugal, **TVI** was part of an unseen and successful solidarity action that united the three main generalist channels in a live program called

“**Juntos por Todos**”, with TVI being the most watched channel, with an audience 60% above the #2 channel.

TVI and Plural won 17 of the 25 television trophies attributed by “TV 7 Dias”. Special highlight to the following categories: Best *Telenovela*, Best Actress, Best Actor, Best TV Hosts, Best News Anchor.

The *telenovela* “**A Única Mulher**” was sold to Honduras, which becomes the 13th country (aside from Portuguese-speaking African countries) to broadcast this *telenovela*. For the first time, TVI has also reached an agreement regarding the sale of contents to Spain, namely the youth series “**Morangos com Açúcar**”.

It is also worth mentioning the partnership with a channel in New Bedford (USA) for the broadcasting of TVI’s *telenovelas*. TVI’s (and Plural’s) fiction has so far reached a total of 28 countries.

TVI Internacional continues to increase its worldwide footprint, being now available in Germany and in the Caribbean territories of Martinique, Guadelupe, Saint Martin, Saint Barthélemy and Guyana. Currently, there are now more than twenty territories where this channel is available.

In terms of **social networks**, TVI is the first TV generalist channel with a million followers on Facebook. TVI is also the most followed television brand on Instagram.

FINANCIAL PERFORMANCE

Regarding financial performance, **operating revenues** decreased by 6% YoY (-4% in Q3).

Advertising revenues were down by 5% (-3% in Q3), negatively affected by the adverse market conditions.

Other revenues, which encompass, among other, retransmission fees, sale of contents and multimedia services, were down 9% (-8% in the quarter).

It is worth highlighting the effort to control costs, as **Opex** was down by 9% YoY on a Ytd basis and -6% YoY in the three months from July to September. **EBITDA** was € 19.7 million (+4% YoY), with a margin of 20.8%. In the third quarter, EBITDA improved by 6%, reaching € 4.6 million.



3. Audiovisual Production

€ thousand	9M 2017	9M 2016	Var %	Q3 2017	Q3 2016	Var %
Operating revenue	20,844	31,441	-34%	8,325	9,163	-9%
Advertising	0	0	0%	0	0	0%
Other revenues	20,844	31,441	-34%	8,325	9,163	-9%
Operating Expenses, ex D&A	22,472	30,937	-27%	8,283	8,781	-6%
EBITDA	(1,627)	504	N/A	43	381	-89%
EBITDA margin	-7.8%	1.6%	-9.4pp	0.5%	4.2%	-3.7pp
Depreciation and amortisation	2,422	2,474	-2%	808	1,033	-22%
Operating income (EBIT)	(4,049)	(1,970)	-106%	(765)	(652)	-17%

Plural is the largest fiction production company in Portugal and this year has started to produce entertainment as well. As mentioned in the “Television” caption, “**Apanha se Puder**” is produced by Plural, and leads in TVI’s access to prime time on weekdays as well as on Sunday nights.

Plural is more internationalised than ever, with filming taking place in Mozambique, Chile, Angola, Brazil, Mexico and Macau. Furthermore, EMAN was responsible for the technical support to the broadcasting of several matches of the Spanish national football team.

TVI and Plural have already 4 international Emmy nominations, having won one with the *telenovela* “**Meu Amor**”. This year, Plural won the prize “Best Television Production Company”, awarded in the event “Prémios Meios & Publicidade 2017”.

This segment had **operating revenues** of € 20.8 million (-34 YoY). In the Q3, the YoY decrease was 9%.

In **Portugal**, revenues were down 45% YoY, mostly as a result of the unusually strong content production activity in 1H 2016, as well as the unusually weak production in 1H 2017, namely in the second quarter.

In **Spain**, the activity is reduced to residual levels, with a slim and flexible structure, the necessary one to address attractive commercial opportunities.

Opex decreased 27% YoY (-6% in Q3).

Hence, **EBITDA** reached a negative figure of € 1.6 million, down € 2.1 million vs 9M 2016, mostly due to the activity in Portugal.

4. Radio

€ thousand	9M 2017	9M 2016	Var %	Q3 2017	Q3 2016	Var %
Operating revenue	13,227	12,659	4%	4,084	3,790	8%
Advertising	12,753	12,015	6%	3,945	3,652	8%
Other revenues	474	644	-26%	139	137	1%
Operating Expenses, ex D&A	9,577	9,448	1%	3,031	3,208	-6%
EBITDA	3,650	3,210	14%	1,053	582	81%
EBITDA margin	27.6%	25.4%	2.2pp	25.8%	15.3%	10.4pp
Depreciation and amortisation	782	1,469	-47%	292	313	-7%
Operating income (EBIT)	2,868	1,741	65%	761	268	184%

Advertising revenues improved 6% YoY (+8% in Q3), while other operating revenues dropped 26% to € 0.5 million, mostly related to events.

Audience data continues to underline the good performance of the various radio stations held by Media Capital Rádios (MCR).

In the fourth audience measurement published in 2017, **MCR posted an aggregate share of 38.6% - its best ever -**, improving 3.1pp vs the equivalent audience reading of 2016.

It is worth highlighting the performance of **Radio Comercial**, with a share of 24.6%, 0.8pp above the previous figure of 2017 and 0.9pp better than its main competitor.

In turn, **m80** had yet again a huge improvement, maintaining its all-time best share (9.7%) achieved in 2017's third reading, which is much higher than any other level obtained previously. Not only it continues to be the most-listened-to radio station among those without a nationwide coverage, but it stands out as the third most-listened-to radio station.

As for other formats, **Cidade** had a share of 2.8%.

Opex increased only 1% YoY on Ytd basis (-6% in Q3).

EBITDA decreased 14% to € 3.7 million, despite a 81% YoY improvement in Q3.

5. Others



€ thousand	9M 2017	9M 2016	Var %	Q3 2017	Q3 2016	Var %
Operating revenue	11,660	12,585	-7%	3,855	4,044	-5%
Advertising	2,173	2,537	-14%	721	856	-16%
Other revenues	9,486	10,048	-6%	3,134	3,188	-2%
Operating Expenses, ex D&A	11,312	12,701	-11%	3,925	3,874	1%
EBITDA	347	(116)	N/A	(70)	170	N/A
EBITDA margin	3.0%	-0.9%	3.9pp	-1.8%	4.2%	-6.0pp
Depreciation and amortisation	431	319	35%	148	113	31%
Operating income (EBIT)	(83)	(435)	81%	(217)	57	N/A

This segment includes the remaining business areas of Media Capital, including Digital, Music & Events, holding and shared services.

Despite the strong competitive environment, MCD continued to improve the quality and audiences of its network of sites, with positive impact on several KPI's.

TVI Player had 270 thousand new users during the first nine months of the year, registering the highest traffic among domestic OTT's. It is the only Portuguese OTT with exclusive digital contents, such as NOS Primavera Sound music festival and the ones related with the reality show "Love on Top". TVI Player was also the first case of a Portuguese TV operator to make available its OTT offer in a pay-tv distributor's set-top box (Vodafone).

During this period, TVI Player was the only operator to provide mobile adapted contents, with the digital format "Novela Num Minuto", which corresponds to a one-minute summary of a daily episode of a *telenovela*.

TVI and MCD also made yet again a relevant bet in interactivity and innovation. Coupled with the broadcasting in the first screen of the entertainment program "**Let's Dance**", it was developed a second-screen app, which enhanced the engagement of audiences with the format, even taking an important role in defining which contestants had to leave the show.

In an unprecedented move in Portugal, TVI Player offered the pre-screening of the late night *telenovela* "A Impostora" in an HD format.

Also worth mentioning are the new editorial projects from MCD, namely "**SELFIE**", a digital

magazine targeting lifestyle, with a strong bet in video.

In terms of interactivity, some of the TVI24 apps were improved, with special in-depth sections dedicated to the hottest news issues. Also, the "**Love on Top**" program app kept a good participation from the audience, which helped to open up new revenue sources, through in-app micro-payments, via MB, carrier-billing, PayPal and others.

The network of digital influencers and bloggers was reinforced with the entrance of new blogs, such as "As Dicas da Bá" or "La La Lander, by Iva Domingues". The second edition of the event "*Blogs do Ano*" reached 4.000 applications and comprised 15 categories. It is the most relevant event of its kind in Portugal.

In sports, MaisFutebol enhanced the participation of its users with the creation of "Liga Fantástica", a virtual competition made in partnership with Realfevr. It turned out to be a success since launching, with over 100,000 teams created so far.

Last but not least, it was reached the second milestone of the Nónio project, co-financed by Google DNI, encompassing the register of users for a common DMP (Digital Management Platform) amongst national publishers.

On financial grounds, **advertising** decreased by 14% YoY (-16% in Q3), whilst **other revenues** decreased by 6% (-2% in Q3).

The EBITDA improved from € -0.1 million in 9M 2016 to € 0.3 million this year. In Q3, the EBITDA stood at € -0.1 million (€ 0.2 million in Q3 2016).



6. Capex

€ thousand	9M 2017	9M 2016	% Var	Q3 2017	Q3 2016	% Var
Capex	2,140	2,313	-8%	878	1,309	-33%
Television	1,315	1,399	-6%	614	712	-14%
Audiovisual Production	580	612	-5%	170	414	-59%
Radio	128	188	-32%	76	142	-46%
Others	116	114	2%	17	40	-56%

During the first nine months of 2017, Media Capital registered a capex of € 2.1 million. This represents an 8% decrease vs last year, with all

segments going in tandem (with the rather small exception of "Others").



7. Cash Flow

€ thousand	9M 2017	9M 2016	Var %	Q3 2017	Q3 2016	Var %
Receipts	156,238	170,747	-8%	51,023	50,082	2%
Payments	(143,247)	(151,132)	5%	(52,450)	(52,142)	-1%
Cash flows op. activities (1)	12,991	19,615	-34%	(1,427)	(2,060)	31%
Receipts	8	1,663	-99%	0	878	-100%
Payments	(4,950)	(4,205)	-18%	(896)	(1,623)	45%
Cash flows inv. activities (2)	(4,941)	(2,542)	-94%	(896)	(746)	-20%
Receipts	114,290	113,528	1%	42,580	34,547	23%
Payments	(123,204)	(134,592)	8%	(41,239)	(31,832)	-30%
Cash flows fin. activities (3)	(8,914)	(21,065)	58%	1,341	2,716	-51%
Cash at the beginning of the period	1,235	5,545	-78%	1,352	1,644	-18%
Variation of cash (4) = (1) + (2) + (3)	(864)	(3,991)	78%	(982)	(90)	-987%
Effect of FX differences	(2)	(1)	-145%	(1)	(0)	-432%
Cash at the end of the period	369	1,553	-76%	369	1,553	-76%

Cash flow from operating activities was €13.0 million in 9M 2017, which compares with € 19.6 million a year ago. The variation is related with cash inflows in the television segment, associated to advertising and retransmission fees. However, in Q3 there was an important improvement, from € -2.1 million in 2016 to € -1.4 million in 2017.

Cash flow from investing activities was € -4.9 million (€ -2.5 million in 9M 2016). Cash flow related with tangible and intangible assets was € -4.9 million, comparing with € -3.6 million registered in the same period of 2016. This

increase stems from the fact that most of 2016 capex occurred towards the end of the year and hence a relevant part of the payments are taking place in 2017.

Cash flow from financing activities was € -8.9 million (€ -21.1 million in 2016), reflecting the movements in operating and investing activities, as well as the distribution of dividends (€ 17.7 million in 2017 vs € 16.1 million) and the change in cash and equivalents.



8. Net Debt

€ thousands	Sep 17	Sep 16	Abs Var	% Var
Group financial debt	111,174	116,283	(5,109)	-4%
Bank loans / Commercial paper / Bonds	110,321	115,787	(5,466)	-5%
Other debt	853	496	357	72%
Cash & equivalents	369	1,553	(1,184)	-76%
Net debt	110,805	114,730	(3,925)	-3%

Net debt increased € 12.7 million vs the end of 2016, standing at € 110.8 million at the end of September. Notwithstanding, when comparing against September 2016, there was a decrease of € 3.9 million.

It is worth mentioning that dividends, in the amount of € 17.7 million, were distributed in the second quarter. Furthermore, in the third quarter

€ 15.0 million of the bond issue “Media Capital 2014-2019” were amortised.

Media Capital maintains a comfortable capital structure.



GRUPO MEDIA CAPITAL, S.G.P.S. S.A.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2017 AND 2016

(Amounts stated in Euro thousand)

	<u>9 months ended</u>		<u>3 months ended</u>	
	<u>30.09.2017</u>	<u>30.09.2016</u>	<u>30.09.2017</u>	<u>30.09.2016</u>
<u>OPERATING REVENUES:</u>				
Services rendered	88,641	94,579	27,969	29,864
Sales	-	50	-	5
Other operating revenue	26,667	29,673	8,305	9,166
Total operating revenue	<u>115,308</u>	<u>124,302</u>	<u>36,275</u>	<u>39,035</u>
<u>OPERATING EXPENSES:</u>				
Cost of programs broadcasted and goods sold	(14,975)	(12,242)	(4,271)	(5,898)
Subcontrats and third party supplies	(46,162)	(54,122)	(16,035)	(16,274)
Payroll expenses	(31,080)	(34,004)	(10,425)	(11,155)
Depreciation and amortization	(5,785)	(6,287)	(1,947)	(2,146)
Provisions and impairment losses	(105)	(238)	(21)	119
Other operating expenses	(241)	(952)	(108)	(256)
Total operating expenses	<u>(98,348)</u>	<u>(107,845)</u>	<u>(32,807)</u>	<u>(35,611)</u>
Net operating profit	<u>16,960</u>	<u>16,456</u>	<u>3,467</u>	<u>3,424</u>
<u>FINANCIAL EXPENSES:</u>				
Financial expense	(3,503)	(3,613)	(1,138)	(1,206)
Financial income	70	1	39	-
Finance costs, net	<u>(3,433)</u>	<u>(3,612)</u>	<u>(1,099)</u>	<u>(1,206)</u>
Gains (losses) on associated companies, net	-	(624)	-	(104)
	<u>(3,433)</u>	<u>(4,236)</u>	<u>(1,099)</u>	<u>(1,310)</u>
Profit before tax	<u>13,527</u>	<u>12,220</u>	<u>2,368</u>	<u>2,115</u>
Income tax expense	(3,838)	(3,438)	(998)	(700)
Consolidated net profit for continued operations	<u>9,690</u>	<u>8,782</u>	<u>1,370</u>	<u>1,415</u>
Attributable to:				
Equity holders of the parent	9,690	8,782	1,370	1,415
Earnings per share (Euros)				
Basic	0.1147	0.1039	0.0162	0.0167
Diluted	<u>0.1147</u>	<u>0.1039</u>	<u>0.0162</u>	<u>0.0167</u>

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2017 AND 31 DECEMBER 2016

(Amounts stated in Euro thousand)

ASSETS	30.09.2017	31.12.2016
NON-CURRENT ASSETS:		
Goodwill	149,718	149,718
Intangible assets	11,261	13,098
Tangible fixed assets	14,800	16,609
Investments in associates	-	0
Assets held for sale	5	5
Transmission rights and TV programs	49,017	54,473
Other non-current assets	4,070	5,524
Deferred income tax assets	2,407	2,646
	<u>231,278</u>	<u>242,072</u>
CURRENT ASSETS:		
Transmission rights and TV programs	31,713	28,616
Trade and other account receivable	30,297	38,020
Current tax assets	281	384
Other current assets	6,479	4,752
Cash and cash equivalents	369	1,235
	<u>69,137</u>	<u>73,007</u>
TOTAL ASSETS	<u>300,415</u>	<u>315,079</u>
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	89,584	89,584
Reserves	32,012	30,259
Profit for the period	9,690	19,101
Equity attributable to controlling interests	<u>131,285</u>	<u>138,944</u>
Total Equity	<u>131,285</u>	<u>138,944</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	68,472	77,590
Provisions	5,935	6,898
Deferred income tax liabilities	1,176	1,226
	<u>75,583</u>	<u>85,715</u>
CURRENT LIABILITIES:		
Borrowings	42,702	21,738
Trade and other payables	32,512	40,273
Current tax liabilities	2	9
Other current liabilities	18,330	28,399
	<u>93,546</u>	<u>90,420</u>
Total liabilities	<u>169,130</u>	<u>176,135</u>
TOTAL EQUITY AND LIABILITIES	<u>300,415</u>	<u>315,079</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 AND 2016
(Amounts stated in Euro thousand)

	<u>30.09.2017</u>	<u>30.09.2016</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	156,238	170,747
Cash paid to suppliers	(80,663)	(86,846)
Cash paid to employees	(30,899)	(32,193)
Cash generated from operations	44,676	51,707
Cash received/(paid) relating to income tax	338	(68)
Other cash received/(paid) relating to operating activities	(32,024)	(32,024)
Net cash from operating activities (1)	12,991	19,615
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
Disposal of fixed tangible and intangible assets	8	1,600
Dividends	-	63
Interest and similar income	-	0
	8	1,663
Payments resulting from:		
Business concentrations	-	(612)
Acquisition of tangible assets	(4,567)	(3,068)
Acquisition of intangible assets	(383)	(525)
	(4,950)	(4,205)
Net cash from /(used in) investing activities (2)	(4,941)	(2,542)
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	114,290	113,528
Cash paid relating to:		
Borrowings	(101,755)	(114,272)
Leases	(323)	(542)
Interest and other similar expenses	(3,268)	(3,596)
Dividends	(17,748)	(16,058)
Other financial expenses	(110)	(124)
	(123,204)	(134,592)
Net cash from/(used in) financing activities (3)	(8,914)	(21,065)
Cash and equivalents at the beginning of the period	1,235	5,545
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(864)	(3,991)
Exchange rate effect	(2)	(1)
Cash and equivalents at the end of the period	369	1,553