

Lisbon, 26th April 2004

Press release: IMPRESA Accounts 1st Quarter 2004

1. 1st Quarter Highlights

- The total revenues reached 63.2 M€, which represents a rise of 15.3%, on the back of:
 - Strong growth of the ad revenues, with 17.6% increase.
 - A 3.6% rise in the sales magazines and newspapers.
 - Other revenues rose by 22.3%.
- Total operating costs increased by 2.9%.
- Record margin for the 1st quarter.
 - EBITDA margin stood at 12.7%, against 2.1% in March 2003.
 - EBITDA reached 7.99 M€, which almost 6x the value on the 1st quarter 2003.
- Operating profits (EBIT) were positive at 3.7 M€, which represents an Ebit margin of 5.8%.
- Net debt decreased to 145.3 M€.
- Net profits were still negative at -1.3 M€, representing an 82.4% improvement versus March 2003.

Table 1. Main indicators of 1st Qt 2004

(values in €)	March 2004	March 2003	Change (%)
Total Revenues	63.175.035	54.786.383	15,3%
Advertising	37.757.876	32.100.377	17,6%
Publications	13.222.194	12.768.510	3,6%
Others	13.458.053	11.001.440	22,3%
TV Revenues	34.833.462	29.657.111	17,5%
Newspaper Revenues	13.093.883	10.761.847	21,7%
Magazine Revenues	16.510.778	15.451.369	6,9%
EBITDA Consolidated	7.992.010	1.171.162	582,4%
Margin EBITDA	12,7%	2,1%	n.a.
EBITDA Television	4.478.238	-686.732	n.a.
EBITDA Newspapers	3.022.853	1.099.609	174,9%
EBITDA Magazines	1.284.811	1.101.042	16,7%
EBIT Consolidated	3.680.885	-5.289.654	n.a.
Margin EBIT	5,8%	-9,7%	n.a.
Net Profits	-1.306.030	-7.402.785	82,4%
Net Debt	145.343.524	152.453.079	-4,6%

2. Television

Table 2. SIC Indicators

(values in €)	March 2004	March 2003	Change (%)
Total Revenues	34.833.462	29.657.111	17,5%
Advertising	24.516.024	20.442.677	19,9%
SIC channels (1)	7.048.290	6.332.056	11,3%
Others	3.269.148	2.882.378	13,4%
EBITDA consolidated	4.478.238	-686.732	n.a.
EBITDA Margin (%)	12,9%	-2,3%	
Net Profits	346.826	-4.476.660	n.a.

Note (1): The SIC channels account for revenues with SIC Noticias, SIC Radical, SIC Mulher, SIC Gold, SIC Internacional and the international subscribers of SIC Noticias.

On the 1st quarter 2004, SIC turnover rose 17.5% to 34.8 M€, against the 1st quarter 2003.

The ad revenues rose 19.9%, as the ad market continues to recover. The ad campaigns around the two biggest events of year – Euro 2004 and “Rock in Rio Lisboa”, had a decisive contribution to this growth rate. For SIC, the “Rock in Rio Lisboa” event will be extremely important, since it’s the official broadcaster of the event.

Simultaneous, there was an reinforcement of SIC ad market share, which on the 1st quarter 2004 rose to 43.9%, corresponding to a gain of 3.8 percentage points versus the 1st quarter 2003 and 1.3 p.p. above the average market share for the full 2003. This gain has been due to the success of the commercial strategy, focusing on the audience targets where SIC audiences are stronger.

The audiences evolution has also helped. Although SIC audience stood at 29.4% on 1st quarter, which is 0.4 p.p. below the values last 1st quarter 2003, the gains obtained in the late-afternoon period more than compensated the fall which occurred on prime-time.

The revenues on the other SIC channels also rose by 11.3%, pushed by the growing number of international subscribers, in the case of SIC Internacional and SIC Noticias, and by the SIC Mulher, which has only start its broadcasting in March 2003. SIC Notícias remained the leader cable channel, with average audience of 15.2%. The four SIC cable channels accounted for 26% of the cable audiences.

The other revenues continued to show high growth rates. In the 1st quarter, turnover reached 3.2 M€, more 13.1%. Worth mentioning is the SIC Serviços and SMS messaging, showing both growth rates above 45%. On the other side, we had drop in merchandising revenues.

Although we had strong growth in revenues, along with start-up of new activities, namely SIC Mulher and SIC Indoor, with the latter without activity on 1st quarter 2003, the operating costs showed 0% growth y-o-y. Total programming costs only increased 0.5%. SIC channel showed a decrease of 3%, but was absorbed by the programming costs of SIC Mulher.

The rising revenues and the maintenance of costs, allowed for the improvement in SIC EBITDA to 4.4 M€ versus the negative 0.68 M€ of 1st quarter 2003. The EBITDA margin reached 12.9% on the quarter.

SIC ended the 1st quarter 2004 with net profits of 346,000 Euros, which is the first time since March 2000.

3. Newspapers

Table 3. Newspaper Indicators

(values in €)	March 2004	March 2003	Change (%)
Total Revenues	13.093.883	10.761.847	21,7%
Advertising	7.578.925	6.219.810	21,9%
Newspaper Sales	3.921.758	3.873.641	1,2%
Others	1.593.200	668.396	138,4%
EBITDA consolidated	3.022.853	1.099.609	174,9%
EBITDA Margin (%)	23,1%	10,2%	
Net Profits	2.198.804	-72.714	n.a.

The newspaper area grew its revenues 21.7% to 13.1 M€ up to March 2004, confirming the recovery of the advertising market.

The advertising revenues grew 21.9% on the 1st quarter. The Expresso newspaper was the big responsible for this growth, with a rise of 22.5% y-o-y. The layout changes on the Business and Recruitment supplements (adopted the salmon color) and the transformation of the real estate into the magazine “Espaços & Casas”, had a good reception by the advertisers. Also, the rise in the numbers of page was done at the expenses of larger number of color pages. The display advertising grew 24.9%, with the classifieds rising 17.6%.

The specialized newspapers Blitz and AutoSport grew 20% and 7%, respectively. Meanwhile, SurfPortugal and the free sheet Jornal da Região had a negative variation. In the case of the Jornal da Região, the fall was 4%, mainly due the lower number of weekly editions, standing at 7 versus 9 of the 1st quarter 2003. Per edition, the revenues rose 23.6%.

The newspaper sales grew a light 1.2%, Overall circulation sales decreased, with the Expresso dropping by 5%, compensated by the rise in cover price by 3% to 3€.

The 1st quarter, was published the 2nd edition of the collectable “Lusiadas”, which sold 19,000 units per week, along with the CD collection of music weekly Blitz, pushed the other revenues to more than double of what was registered on 1st quarter 2003.

The operating costs rose 4.2% on the 1st quarter, due to the higher number of printed color pages and the launch of the alternative products. The restructuring made over the last two years maintained the fix costs under control, so that EBITDA rose 174% to 3 M€. The margin obtained was 23.1%, which is a record for the first quarter.

4. Magazines

Table 4. Magazines Indicators

(values in €)	March 2004	March 2003	Change (%)
Total Revenues	16.510.778	15.451.369	6.9%
Advertising	5.662.927	5.437.890	4,1%
Magazine Sales	9.300.436	8.894.869	4,6%
Others	1.547.415	1.118.610	38,3%
EBITDA consolidated	1.284.811	1.101.042	16,7%
EBITDA Margin (%)	7,8%	7,1%	
Net Profits	-232.458	-520.914	55,4%

The magazines total revenues grew 6.5% to 16.5 M€..

The circulation revenues rose 4.6%, with the contribution of rising cover prices in a small number of magazines and the launch of new magazines, at the end of 2003. Although we had a general drop in circulations, a few magazines continued to show a good performance. Activa, Exame Informática, Turbo and Exame, have continued to reinforce its leadership on the respective segments. Worth mentioning, is the performance of Exame Informática, with sales hitting a new record high with 45,842. Exame was re-launch in late 2003, and has returned a 22% increased on 1st quarter. The re-launch policy has continued on the first quarter, with the new TV Mais and Telenovelas.

The ad revenues rose 4.1% on the quarter, with the contribution of the business magazine Exame, which a good reception by advertisers.

The launch of new ad-on's products has continued, with revenues rising 38.3%, with focus in the success of Visão DVD collection and children VHS of TV Mais.

The largest number publications and new ad-on's pushed a rise on operating costs by 5.5% on the 1st quarter.

EBITDA rose 16.7% to 1.28 M€, which represents a margin 7.8%, against a 7.1% obtained in March 2003.

The losses of 232,000 euros registered on March 2004, were roughly half the ones registered on March 2003.

5. Consolidated Accounts

IMPRESA revenues rose 15.3% to 63.2 M€ on the 1st quarter 2004. This rise was due a 17.6% rise on advertising revenues, and the 22.3% rise of other revenues, such as ad-on Sales, SMS and SIC Serviços. The revenues with publications rose 3.6%.

On the 1st quarter, overall operating costs rose 2.9%. This growth resulted on the higher costs of ad-on sales, SMS, and the large increase in the number of printed pages at the newspapers. Also on the quarter, IMPRESA registered restructuring costs of 0.5 M€..

Table 5. P&L IMPRESA Consolidated

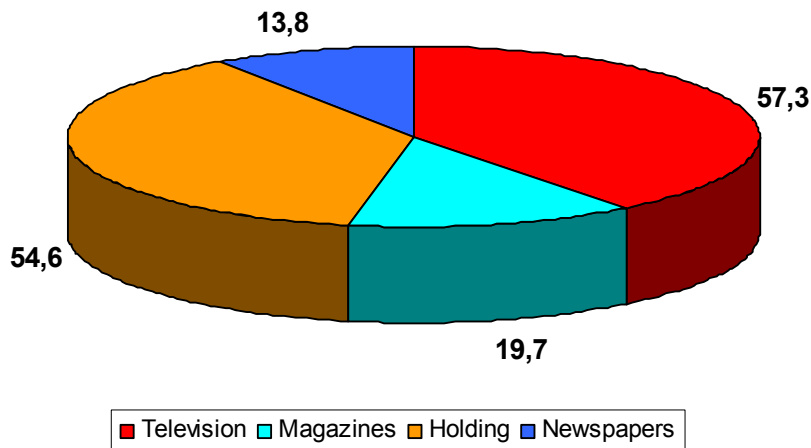
(values in €)	March 2004	March 2003	Change (%)
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Television	34.833.462	29.657.111	17,5%
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Magazines	16.510.778	15.451.369	6,9%
Inter-segments	-1.263.088	-1.083.944	-16,5%
Operating Costs	55.183.026	53.615.221	2,9%
EBITDA Consolidated	7.992.010	1.171.162	582,4%
Margin EBITDA	12,7%	2,1%	
Television	4.478.238	-686.732	n.a.
Newspapers	3.022.853	1.099.609	174,9%
Magazines	1.284.811	1.101.042	16,7%
Holding Adjustments	-793.892	-342.757	-131,6%
Depreciation (-)	3.493.549	4.805.207	-27,3%
Provisions (-)	817.576	1.655.609	-50,6%
EBIT	3.680.885	-5.289.654	n.a.
Margin EBIT	5,8%	-9,7%	
Financial Results (-)	2.615.374	1.951.618	34,0%
Goodwill (-)	2.690.868	2.756.543	-0,5%
Corrent Results	-1.625.357	-9.997.815	83,7%
Extraordinary Results	301.029	483.061	-37,7%
Res. bef Taxes & Minorities	-1.324.328	-9.514.754	86,1%
Income Tax (IRC)(-)	-78.621	590.904	n.a
Minoritários Interests (-)	60.323	-2.702.873	n.a
Consolidated Net Profit	-1.306.030	-7.402.785	82,4%

The 1st quarter consolidated EBITDA rose by almost 6x to 7.99 M€. The margin stood 12.7%, which is a new record of IMPRESA group for the 1st quarter.

The operating results (EBIT) rose significantly, to 3.7 M€, against the loss of 5.3 M€ obtained on March 2003. The Ebit margin stood at 5.8%.

The financial results dropped by 34% to -2.6 M€. The worst performance was due to forex fluctuations. After having obtained a net gain on the 1st quarter 2003, on March 2004 the result was a net forex loss, due the fall of the Euro against the USD dollar since the end of 2003. On the other side, IMPRESA benefited of lower remunerated debt levels, lower interest rates, and a positive contribution by the associated companies, namely VASP and Lusa which together contributed with 0.4 M€.

Net Debt by business March 2004 (M€)



The remunerated net debt stood at 145.3 M€, which corresponds to a drop of 3.8 M€ in relation to December 2003. The improvement was to the free cash-flow generated, as the working capital needs have been reduced. The main reductions of debt occurred at SIC and at the holding.

In the 1st quarter, the SIC headquarters sale was concluded, but the transaction will only occur in the 2nd quarter. The transaction was for 12.1 M€.

The operating improvements permitted for a big reduction of losses at the bottom line. On the 1st quarter losses stood at 1.3 M€, a 82.4% improvement versus the -7.4 M€ of March 2003.

6. Perspectives for 2004

The favourable evolution on the 1st quarter, and the maintenance of good prospects for the 2nd quarter, makes us to raise our targets for the year end. IMPRESA now expects to reach total revenues of 288 M€, an increase of 8.5%, which will allowed to reach an EBITDA margin between 21-22% by year end, against the previous estimate of 20-21%. This evolution will mean that IMPRESA will generate positive results before the year end.

Lisbon, 26th April 2004

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