

Lisbon, July 25th 2005

Press Release: IMPRESA Accounts for 1st semester 2005

Note: The accounts of the 1st quarter 2005 were elaborated according to the IAS accounting standard. For comparison reasons, the 1st quarter 2004 accounts were re-calculated according to IAS standard.

On the 1st semester 2005, IMPRESA has reached:

- Total revenues of 136.6 M€, representing a gain of 6.9%, due to:
 - Advertising revenues rise by 1.7%.
 - Rise of 3.4% in the sales of publications.
 - Other revenues rise 23.2%.

- EBITDA margin of 21.7%, against 20.4% from June 2004.
 - EBITDA stood at 29.7 M€, growing 13.7%.

- EBIT reached 25.2 M€, which represents a gain of 26.2% and a EBIT margin of 18.5%.

- Net debt stood at 221 M€, after the acquisition of SIC.

- Net profits rose to 15.2 M€, a gain of 78% against June 2004.

Table 1. Main Indicators of 1st semester 2005

(Values in 000 €)	Jun-05	Jun-04	ch (%)	2nd Qt 05	2nd Qt 04	ch (%)
	(IAS)			(IAS)		
Total Revenues	136.623	127.798	6,9%	75.289	72.820	3,4%
Advertising	89.840	88.344	1,7%	52.093	53.889	-3,3%
Publication Sales	18.044	17.459	3,4%	9.389	8.887	5,6%
Others	29.826	24.204	23,2%	14.754	11.520	28,1%
TV Revenues	85.733	83.029	3,3%	46.741	48.471	-3,6%
Newspaper Revenues	30.497	27.935	9,2%	16.864	14.922	13,0%
Magazines Revenues	21.480	18.855	13,9%	12.631	10.799	17,0%
EBITDA Consolidated	29.697	26.127	13,7%	21.014	19.543	7,5%
Margin EBITDA	21,7%	20,4%		27,9%	26,8%	
EBITDA Television	22.681	19.817	14,5%	15.007	15.675	-4,3%
EBITDA Newspaper	7.125	6.538	9,0%	4.598	3.698	24,4%
EBITDA Magazines	1.838	1.714	7,3%	1.466	1.366	7,3%
EBIT Consolidated	25.268	20.021	26,2%	18.865	16.505	14,3%
Margin Ebit	18,5%	15,6%		25,1%	22,7%	
Net Profits	15.223	8.558	77,9%	11.937	7.217	65,4%
Net Debt (M€)	221,0	110,7	99,6%	221,0	110,7	99,6%

1. Main events occurred on 1st Semester 2005

- **Acquisition of SIC minorities** – Still on the 1st quarter, IMPRESA has concluded the acquisition of the 49% stake on SIC share capital, after all the legal authorization's were obtained.
After this acquisition, IMPRESA will control, indirectly, 100% of TV station share capital, with equal percentage of the voting right's. Overall, the acquisition implied an investment of 152.5 M€, totally financed by interest earning debt.

- **Launch of new publications** – On the 1st semester, IMPRESA was particular active in the launch of new publications, namely:
 - The children magazine “Brinca e Aprende”, the male magazine “FHM” and the travel magazine “Rotas do Mundo”, all launched up to end of April.
 - The newspaper “Courrier International”, launched in April, as a result of an agreement with French group “Le Monde”.
 - The magazine “Expresso Imobiliário Classificados”, with the first issue launch in May, with 196 pages dedicated to information over 7.500 real estate assets. This publication will be the print version of what is available on the internet site expressoimobiliario.pt. This domain is the new address of the largest professional real estate site, until recently named under okapa.com, which is the propriety of company named Multivector, with which Sojornal has establish the partnership.

- **Agreement with Mirandela** – IMPRESA, through its subsidiary Controljornal, has celebrated agreement with the printer MIRANDELA, for the latter to purchase the IMPRESA own printer IMPREJORNAL, which is dedicated to newspaper print, namely Expresso. For their side, MIRANDELA is obliged to investment in printing equipment so as to expand the printing capacity of colour pages, and after the investment has been concluded, Expresso will have the possibility to print in full colour all its newspaper supplements.

- **Acquisition of SOM LIVRE** - IMPRESA has started negotiations to acquire all the share capital of the SOM LIVRE record company, which is owned by Globo Overseas Investments, BV. SOM LIVRE produces and distributes music and video products in Portugal.

2. Television

Table 2. SIC Main Indicators

	Jun-05	Jun-04	ch %	2nd Qt 05	2nd Qt 04	ch %
	(IAS)			(IAS)		
Total Revenues	85.732.634	83.029.049	3,3%	46.740.935	48.471.311	-3,6%
Advertising	63.195.808	62.562.846	1,0%	36.143.626	38.370.145	-5,8%
SIC channels	15.652.093	14.512.647	7,9%	8.080.971	7.464.357	8,3%
Multimedia	6.884.732	5.161.580	33,4%	2.516.338	1.844.834	36,4%
Asset sales	0	791.975	n.a.	0	791.975	n.a.
EBITDA	22.681.420	19.817.301	14,5%	15.007.322	15.675.083	-4,3%
EBITDA (%)	26,5%	23,9%		32,1%	32,3%	
Net Profits	13.076.229	9.907.776	32,0%	9.051.685	9.269.892	-2,4%

Note: SIC channels comprise SIC Notícias, SIC Radical, SIC Mulher, SIC Comédia, SIC Internacional and the international subscribers of SIC Notícias.

On the 1st semester 2005, SIC rose its total revenues by 3.3% versus 1st semester 2004, reaching 85.7 M€. Worth mentioning, that under IAS rules the capital gain obtained from the sale SIC building last June 2004 is considered a operational revenues, where under Portuguese POC was accounted as a extraordinary gain. This mean that adjusted 2004 revenues have been boosted by 792,000 Euros. With this adjustment in consideration, total revenues would have grown 4.25% on 1st semester, with the correspondent 2nd quarter numbers would have only decrease by 1.9%, and not the 3.6% presented.

The advertising revenues rose 1% on the semester, but after dropping 5.8% over the 2nd quarter. The main reasons for this fall were:

- On 2nd quarter 2004 was extremely strong, with the concentration of the most important events of the year – Rock in Rio Lisboa and Euro 2004.
- European Parliament elections ad time also occurred June 2004. Adjusting for this fact, the drop would have been just 3.1%.
- Lower audiences over the 2nd quarter.

By the end of June, SIC had an average audience of 28.6% in full day, meaning 0.8 percentage points below the audience levels obtained on 1st semester 2004. Nevertheless, over the 2nd quarter, SIC audiences have fallen by 5.8% y-o-y, which as been previously mentioned, has damaged the evolution of the advertising revenues.

The revenues of the other SIC channels rose 7.9% until June 2005, with a 8.3% rise over the 2nd quarter, pushed by growing number of subscribers, international subscribers and cable ad revenues. SIC Notícias channel has continued to be the leading cable channel, with an average audience of 13.9%, and with SIC Radical keeping within the 5 most watched channels with average audience of 5.2%. SIC cable channels represented, on average, 25.4% of total cable audiences over the 1st semester 2005.

The Multimedia revenues, including SIC Multimédia, SIC Mobile, merchandising, content sales and SIC Serviços, have continued to delivered high growth rates. Over 1st semester 2005, this revenues rose to 6.9 M€, implying a rise of 33.4% versus June 2004. On 2nd quarter, there was acceleration, with revenues rising 36.4% y-o-y. We outline the following facts:

- SIC Serviços grew 33.6%.
- SMS, IVR and teletext services rose 126%.
- Merchandising revenues rose 90%.

The various measures to control costs, have delivered positive results. The total operating costs declined 0.6% over 1st semester 2005. On the 2nd quarter, the total costs decline 0.3% y-o-y. The main variations were:

- Programming costs dropped 2.6% 1st semester, with a decline of 5.6% y-o-y on 2nd quarter.
- Personnel costs rose 2% on the 1st quarter, with a 3.6% rise in 2nd quarter.
- The remaining costs rose 4.2% up to end of June 2005, with a drop of 3.3% on the 2nd quarter, although there was the maintenance of fast growth rates in the new areas.

The cost control has permitted an improvement on the EBITDA, with a rise of 14.5%, reaching 22.7 M€. By adjusting the 2nd quarter 2004 EBITDA of the capital gain arising from sale of SIC building, the EBITDA in the 2nd quarter 2005 would have risen 3.5%, instead of the reduction of 4.3% shown. The margin EBITDA was 32.1% on 2nd quarter, which represents a record margin for the 2nd quarter. In the 1st semester, the EBITDA margin stood at 26.5%.

The favourable operational evolution allowed SIC to end the first semester with positive results of 13 M€, which represent a gain of 32%.

3. Newspapers

Table 3. Newspapers main indicators

	Jun-05	Jun-04	ch %	2nd Qt 05	2nd Qt 04	ch %
	(IAS)			(IAS)		
Total Revenues	30.497.205	27.935.160	9,2%	16.864.368	14.921.597	13,0%
Advertising	18.662.749	18.105.991	3,1%	10.920.570	10.607.386	3,0%
Newspaper sales	7.580.085	7.482.118	1,3%	3.807.884	3.560.360	7,0%
Others	4.254.371	2.347.051	81,3%	2.135.914	753.851	183,3%
EBITDA	7.125.424	6.537.983	9,0%	4.598.311	3.697.760	24,4%
EBITDA (%)	23,4%	23,4%		27,3%	24,8%	
Net Profits	5.995.971	4.946.616	21,2%	4.108.276	2.500.152	64,3%

The newspaper area has continued its good performance, across all the revenues lines, although is still affected by having less 1 edition of Expresso newspaper on this 1st semester 2005 (25 editions), when compared with the 1st semester 2004 (26 editions).

The total revenues grew 9.2% up to end of 1st semester 2005, with a 13% rise y-o-y on the 2nd quarter 2005.

The advertising revenues rose 3.1% on the 1st semester 2005, although we had lower number of editions. On the 2nd quarter, advertising revenues rose 3%. The newspaper Expresso is the main responsible for these growth rates, special with classifieds ads rising 15.4% up to the end of June.

The 1st semester was also favourable to circulation revenues, like:

- Maintenance of Expresso circulation.
- Rise by 12% on SurfPortugal circulation.
- Drop of 16.2% in Blitz circulation.
- Rise of 16% by AutoSport, after the profound shape-up done last January.

In April was launched a new newspaper – Courier Internacional – which has contributed to the increase in circulations. In May, was the launch of new publication dedicated to the real estate classifieds - Expresso Imobiliário Classificados, with over 196 pages, by publishing all the information on the largest professional real estate Internet portal owned by local company Okapa.com.

On 2nd quarter, newspaper sales rose 7%, pushing for a rise of 1.3% up to end of June, even with one less edition of Expresso.

The revenues from ad-on sales continued to registered high growth rates. On 1st semester, these revenues rose 81.3%, after a 2nd quarter increase of 183%. On the 2nd quarter, the success of the CD collection “Grandes Compositores”, the book collection “Fábulas de La Fontaine”, various DVD’s and cartoon collection’s, all contributed to the strong rise.

The operating costs rose 9.2%, with rising number of pages, launch of ad-on products and of newspaper “Courier Internacional.

The EBITDA, by the end of the 1st semester, rose 9%, after gaining 24.4% in the 2nd quarter. The margin EBITDA for 2nd quarter stood at 27.3%.

At the end of the 1st semester, the area net profits rose to almost 6 M€, representing a gain of 21.2% versus June 2004.

4. Magazines

Table 4. Main Magazines Indicators

	Jun-05	Jun-04	ch %	2nd Qt 05	2nd Qt 04	ch %
	(IAS)			(IAS)		
Total Revenues	21.480.036	18.854.956	13,9%	12.630.665	10.799.283	17,0%
Advertising	7.981.745	7.675.375	4,0%	5.029.193	4.911.719	2,4%
Magazine Sales	10.463.964	9.976.662	4,9%	5.580.706	5.326.444	4,8%
Others	3.034.328	1.202.919	152,2%	2.020.766	561.121	260,1%
EBITDA	1.838.454	1.713.621	7,3%	1.465.502	1.365.845	7,3%
EBITDA (%)	8,6%	9,1%		11,6%	12,6%	
Net Profits	877.761	666.650	31,7%	852.394	742.790	14,8%

Note: The accounts presented reflect 50% of the values of EDIMPRESA.

EDIMPRESA continued to have a strong performance, with total revenues reaching 21.5 M€, a gain of 13.9% versus June 2004. The rise was across all the revenue lines. On the 2nd quarter, the rise was 17%.

The circulation revenues rose 4.9%. There were cover price increases in a few magazines, and there was an increase in the circulation of principal magazines. Worth mentioning, the gains of Exame, Cosmopolitan, Caras, Telenovelas, Turbo and Jornal de Letras.

In the 1st semester 2005 there was the launch of the 3 new magazines. The children magazine "Brinca e Aprende", the male magazine FHM and the travel magazine "Rotas do Mundo". The sales have been exceeding expectations, mainly FHM. On the 2nd quarter, magazine sales rose 4.8%.

The advertising revenues rose 4% on the 1st semester, with the 2nd quarter rising 2.4%, with the women magazines, Activa e Cosmopolitan, and business magazine Exame standing out.

The launch of new ad-on products had continued, with revenues rising by 152% on 1st semester. The sale success of the "Caras" crystal glass collection was the reason for this gain. Also the products associated with Visão, Telenovelas and Cosmopolitan did well.

On this segment, operating costs rose 14.6% on the 1st semester. The costs evolution was mainly affected with the launch of the 3 publications mentioned above, as well as the rising weight of the ad-on products in the overall business.

Although we had the launch costs of the new publications, the EBITDA rose 7.3% year-on-year, which represents 8.6% margin.

EDIMPRESA finished the 1st semester with positive results of 877,700 Euros (50% of the result), representing a gain of 31.7% y-o-y.

5. Consolidated Accounts

IMPRESA on the 1st semester 2005, presents for the first time consolidated accounts and business segments in accordance with the international standards IAS. For comparisons purposes, the June 2004 accounts are presented on the IAS standard as well.

IMPRESA has reached revenues of 136.6 M€ on the 1st semester 2005, which represents a 6.9% gain year-on-year. The revenues rise was mainly due the other revenues with a 23.2% rise. Circulation revenues rose by 3.4%. Advertising revenues slowed down over the 2nd quarter, with a very difficult comparable, so that at the end of the 1st semester the ad growth was 1.7%.

On 1st semester, IMPRESA saw a rise of 5.2% in the total operating costs. The rise was mainly due to one-off costs, such as the launch costs of new publications, with more impact on the 1st quarter, and the rapid growth of the new revenues. On the 2nd quarter, costs only rose 1.9%.

On the 1st semester 2005, IMPRESA EBITDA stood at 29.6 M€, which is 13.7% higher than the one registered in June 2004. Adjusting for SIC asset sale reclassification, the EBITDA would have grown 17.2%.

The operating results (EBIT) delivered an 26.2% growth rate, with values of 25.2 M€ against the 20 M€ obtained on June 2004. The EBIT margin was 18.5% in June 2005.

The financial results came down by 19.4%, standing at 4.3 M€, as a consequence of higher interest charges incurred with the minorities stakes in SIC, and lower forex gains. The contribution of the associated companies, namely VASP and Lusa stood at the same level of the 1st semester 2004.

After obtaining the necessary regulatory approval, the 49% acquisition of SIC share capital was concluded, which represents an investment of 152.5 M€, totally financed by medium long term bank loans. SIC is consolidated at 100% from the beginning of 2005.

The acquisition of 49% of SIC capital implied a increase on the net debt, from the 92.2 M€ in December 2004 to 244.7 in the beginning of the year. At the end of June 2005, the net debt level stood at 221 M€, a reduction from the peak of 23.7 M€. On the 2nd quarter, the reduction was of 9.2 M€, reflecting the high level free cash-flow generated by various companies.

The operating improvements allowed for profits to improve. At the end of the 1st semester, net profits rose 78% to 15.2 M€. On the 2nd quarter, the net profits rose 65.4% reaching 11.9 M€.

Table 5. IMPRESA P&L

(values in €)	Jun-05	Jun-04	ch (%)	2nd Qt 2005	2nd Qt 2004	ch (%)
	(IAS)			IAS		
Total revenues	136.622.501	127.798.395	6,9%	75.288.516	72.819.661	3,4%
Television	85.732.634	83.029.049	3,3%	46.740.935	48.471.311	-3,6%
Newspapers	30.497.205	27.935.160	9,2%	16.864.368	14.921.597	13,0%
Magazines	21.480.036	18.854.956	13,9%	12.630.665	10.799.283	17,0%
Inter-segments	-1.087.374	-2.020.770	-46,2%	-947.452	-1.372.531	31,0%
Cash costs	106.925.336	101.671.829	5,2%	54.274.400	53.276.684	1,9%
Total EBITDA	29.697.164	26.126.567	13,7%	21.014.115	19.542.977	7,5%
EBITDA Margin	21,7%	20,4%		27,9%	26,8%	
Television	22.681.420	19.817.301	14,5%	15.007.322	15.675.083	-4,3%
Newspapers	7.125.424	6.537.983	9,0%	4.598.311	3.697.760	24,4%
Magazines	1.838.454	1.713.621	7,3%	1.465.502	1.365.845	7,3%
Holding Adjustements	-1.948.134	-1.942.338	0,3%	-57.020	-1.195.711	95,2%
Depreciation	4.429.190	6.105.648	-27,5%	2.149.022	3.037.660	-29,3%
EBIT	25.267.974	20.020.919	26,2%	18.865.093	16.505.317	14,3%
EBIT Margin	18,5%	15,7%		25,1%	22,7%	
Financial Results(-)	4.343.500	3.637.431	19,4%	2.932.757	1.730.520	69,5%
Res. bef. Taxes & Minorities	20.924.474	16.383.488	27,7%	15.932.336	14.774.797	7,8%
Income Tax (-)	4.981.418	2.800.798	77,9%	3.598.043	2.874.261	25,2%
Minorities (-)	720.498	5.024.263	-85,7%	397.735	4.683.925	-91,5%
Consolidated Net profit	15.222.558	8.558.427	77,9%	11.936.558	7.216.611	65,4%

6. Perspectives for year 2005

The favourable evolution of IMPRESA on this 1st semester, with revenues and results growing above the earlier estimates, allows us to estimate the following objectives for 2005, but now presented in accordance with IAS accounting rules:

- Growth of total revenues between 7-8%, to 274-277 M€
- EBITDA growth rate around 25%, to 64-67 M€
- Net profits rising to 29-31 M€ range, a rise of about 75%.

Lisbon, July 25th 2005

By Board of Directors

José Freire
Director Investor Relations

www.impresa.pt

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

CONSOLIDATED PROFIT & LOSS June 2005

(Values in Euros)

Costs and Losses	IAS June 2005	Revenues and earnings	IAS June 2005
Cost of goods sold and materials consumed		Revenues	
Goods	2.246.133	Goods	5.607.677
Materials	46.824.240	Products	18.294.602
	49.070.373	Services rendered	111.639.970
			135.542.249
Supplies and external services	26.500.979	Additional revenues	981.310
Staff costs		Variation in production	0
Salaries	22.544.029	Other operating revenues	98.942
Social charges			136.622.501
Pensions	-		
Others	6.888.325	Financial profits	827.083
Others	606.221		137.449.584
	30.038.575		
Depreciation	4.429.190	Extraordinary earnings	-
Provisions	172.491		
	4.601.681		
Taxes	258.856		
Other operational charges	884.063		
	1.142.919		
(A)	111.354.527		
Financial charges	5.170.583		
(C)	116.525.110		
Extraordinary charges	-		
(E)	116.525.110		
Income Tax	4.981.418		
Minority Interests	720.498		
(G)	122.227.026		
Consolidated Net Profit	15.222.558		
	137.449.583	(F)	137.449.583
		Operating results	(B) - (A) 25.267.974
		Financial results	(D-B) - (C-A) (4.343.500)
		Current results	(D) - (C) 20.924.474
		Results before taxes and minorities	(F) - (E) 20.924.474
		Consolidated net profit	(F) - (G) 15.222.558

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

CONSOLIDATED BALANCE SHEET June 2005

(Values in Euros)

	IAS June 2005	IAS June 2005
Assets	Net Assets	Equity & Liabilities
Fixed assets		Equity
Intangible Assets		Capital
Installation costs	-	84.000.000
Research and development costs	-	Share issue premiums
Industrial property and other rights	135.618	97.902.257
Trespasses	305.865.404	Adjustments in associated companies
Software	583.887	-
	<u>306.584.909</u>	Legal reserve
		591.589
Tangible assets		Retained earnings
Land and natural resources	1.055.557	(70.827.150)
Industrial property and other rights	9.510.917	Consolidated net profit
Basic equipment	18.040.168	15.222.558
Transport Equipment	339.529	Equity of majority shareholders
Tools and utensils	10.790	126.889.255
Administrative equipment	2.845.165	Minorities interests
Other tangible assets	15.684	4.925.646
Advances for fixed assets	-	<u>131.814.901</u>
Investments in progress	2.749.381	Total Equity funds
	<u>34.567.191</u>	131.814.901
Financial investments		Minorities interests
Share capital in associated companies	3.629.625	-
Share capital in group companies	-	Liabilities
Shareholder loans	-	Provisions for risk and charges
Investment properties	10.790.914	3.788.175
	<u>14.420.539</u>	Liabilities to third parties - medium and long term
		Debt to credit institutions
Inventories		219.717.072
Raw materials and consumables	39.901.467	Suppliers of fixed assets
Products and work in progress	633.858	7.878.463
Finished goods	1.435.708	Other creditors
Merchandise	-	-
	<u>41.971.033</u>	227.595.535
Receivables - short term		Liabilities to third parties - short term
Customers - current account	43.391.374	Debt to credit institutions
Customers - securities receivables	79.178	28.726.479
Customers - group companies	-	Suppliers - current account
Customers - doubtful collection	-	31.324.498
Shareholders	-	Group companies
Advances to suppliers	154.955	-
Advances to program suppliers	-	Shareholders
Advances to fixed assets suppliers	134.374	-
State and other public companies	627.574	Program suppliers
Other debtors	3.469.463	-
	<u>47.856.918</u>	Customer advances
Negotiable Securities		-
Other negotiable securities	-	Fixed asset suppliers -current account
		2.569.664
Cash		Other loans
Bank deposits	27.104.816	-
cash	277.349	State and public organizations
	<u>27.382.165</u>	9.181.151
Accrued and deferrals		Other creditors
Accrued income	4.757.591	1.742.919
Deferred costs	2.074.339	<u>73.544.711</u>
Deferred taxes	7.806.321	Accrued and deferred income:
	<u>14.638.251</u>	Accrued costs
		25.882.994
		Deferred income
		652.388
		Deferred taxes
		18.282.303
		<u>50.677.685</u>
		Total Liabilities
		355.606.105
Total assets	<u>487.421.006</u>	Total Equity and Liabilities
		<u>487.421.006</u>